

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JUNE 9, 1932

NORTH BRITISH GROUP

FINANCIAL STATEMENT BASED ON ALL SECURITIES AT MARKET VALUE
AS OF APRIL 30, 1932

	Assets	Liabilities	Surplus to Policyholders (Including Capital)
North British & Mercantile Ins. Co. Ltd.	\$14,046,787.99	\$8,785,327.22	\$5,261,460.77
The Commonwealth Ins. Co. of N. Y. . . .	6,154,448.42	3,000,828.03	3,153,620.39
The Homeland Ins. Co. of America	2,143,378.19	510,496.72	1,632,881.47
The Mercantile Ins. Co. of America	5,991,293.83	2,983,009.67	3,008,284.16
The Pennsylvania Fire Insurance Co. . .	<u>13,497,990.24</u>	<u>7,847,479.05</u>	<u>5,650,511.19</u>
Totals	<u>\$41,833,898.67</u>	<u>\$23,127,140.69</u>	<u>\$18,706,757.98</u>

150 William Street, New York City

(Financial Statement leaflets of each Company, as of May 2, 1932, now being distributed)





S A T I S F A C T I O N

INSURANCE settlements on fire losses are the visible evidence of the actual operations of fire insurance. » The way the loss is handled, the attitude of the company, its fairness, reflect upon the local agent. It may reflect to his benefit—it might be a boomerang. » Strong companies maintained in offices for scores of years manifest the confidence of those agents in the service and satisfaction which their companies render. » Agents who write their policies in "The Home of New York" know that such a policy provides the protection in a financially strong stock company that meets its obligations promptly and fairly in the event of a loss. » »

THE HOME INSURANCE **NEW YORK**
COMPANY

CASH CAPITAL \$24,000,000

WILFRED KURTH, President

59 MAIDEN LANE

Strength

« »

Reputation

« »

Service

FINANCIAL STATEMENT
OF THE
ÆTNA INSURANCE COMPANY
HARTFORD, CONNECTICUT

Statement based on actual market values of Bonds and Stocks as of May 1, 1932

RALPH B. IVES, PRESIDENT



Capital Stock, \$7,500,000

ASSETS	\$41,840,132.32
LIABILITIES (except capital)	\$23,689,590.21
POLICY-HOLDERS' SURPLUS	\$18,150,542.11

Assets

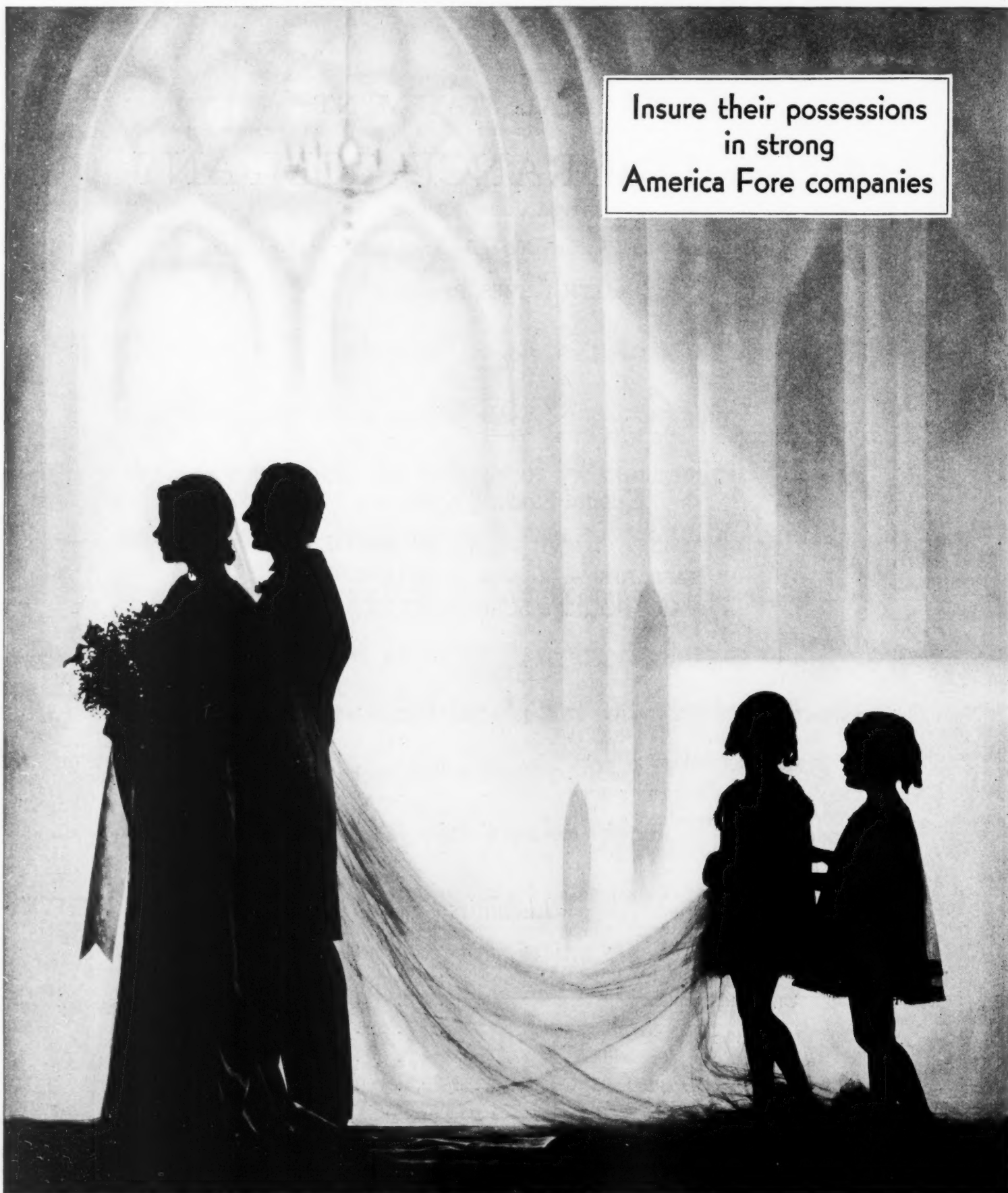
Bonds and Stocks,	\$35,810,968.06
Real Estate,	1,035,000.00
Cash on Hand and in Banks,	1,377,031.80
Amounts due from Agents,	3,323,501.87
Interest Accrued,	180,000.00
Other Admitted Assets,	113,630.59
	\$41,840,132.32

Liabilities

Outstanding Losses,	\$3,021,723.13
Expense and Tax Reserves,	560,000.00
Unearned Premium Reserve,	20,107,867.08
Capital,	7,500,000.00
Surplus, (over all Liabilities)	10,650,542.11
Aggregate, including Capital and Surplus,	\$41,840,132.32



PAID TO POLICYHOLDERS SINCE ORGANIZATION - \$348,000,000.00



Insure their possessions
in strong
America Fore companies

The AMERICA FORE GROUP of Insurance Companies

THE CONTINENTAL INSURANCE COMPANY FIDELITY-PHENIX FIRE INSURANCE COMPANY NIAGARA FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY FIRST AMERICAN FIRE INSURANCE COMPANY MARYLAND INSURANCE COMPANY OF DELAWARE

Eighty Maiden Lane,

THE FIDELITY AND CASUALTY COMPANY

New York, N.Y.

ERNEST STURM, Chairman of the Boards
BERNARD M. CULVER, President

ERNEST STURM, Chairman of the Board
WADE FETZER, Vice Chairman
BERNARD M. CULVER, President

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

The National Underwriter

Thirty-Sixth Year No. 23

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JUNE 9, 1932

\$4.00 Per Year, 20 Cents a Copy

Eligibility Rule Is Now Revised

American Association of Insurance
General Agents Clarifies Mem-
bership Rule

QUIN MADE PRESIDENT

Important Addresses Were Given by
Outstanding Men in the Business
at Hartford Meeting

NEW OFFICERS ELECTED

President—L. C. Quin, Atlanta.
First Vice-President—W. J. Miller,
Topeka.
Second Vice-President—William
Beans, San Francisco.
Secretary-Treasurer—H. A. Steckler,
New Orleans.

By R. B. MITCHELL

HARTFORD, June 8.—The American Association of Insurance General Agents at its meeting here unanimously voted to change its eligibility rules to exclude general agents engaged directly or indirectly in the local agency business. While this action will mean that some present members will no longer be eligible it was felt that the step was desirable to clarify the status of members. The loss in membership will be compensated to some extent by the addition of new members who would not join except under the new eligibility rule.

New Eligibility Rule

Article 3 of the association's constitution was amended to read: "General agencies to be eligible to membership must be in conformity with the rules of the underwriting organizations having jurisdiction and members in good standing of any territorial or state association of insurance general agents in their territory whose constitution and by-laws have been found to be in harmony herewith. No general agent engaged directly or indirectly in the local agency business shall be eligible to membership."

Endorse Loss Payment Plan

The association recommended following the National Board's recent advice to hold up claim payments on fire losses for the full 60 day period, where this provision is in the contract, in all cases where the origin of the fire is not satisfactorily explained. One member reported that such action had sharply cut the number of suspicious fires in his territory. While it was acknowledged that the 60 day delay would be used by mutuals as sales ammunition it was felt that the net result would be better by following the National Board's recommendation.

The association's efforts to have casualty and surety companies distinguish between their general agents having actual supervisory capacity and those do-

(CONTINUED ON PAGE 10)

Milligan Speaks Plainly Before General Agents

HARTFORD, June 8.—Members of the American Association of Insurance General Agents in annual session here were treated to probably the plainest speaking insurance-wise that has been heard since C. F. Shallcross delivered his notable address on branch offices before the Pennsylvania agents last year. The forthright speaker here was Edward Milligan, president of the Phoenix of Hartford.

Without naming the Pearl Assurance but identifying it beyond a doubt, Mr. Milligan said: "If it purposes to operate outside of the existing organizations—and certain appointments made by it indicate that it may intend to exercise a free hand—then its presence in this country will not be welcomed."

While on the subject of British companies he said that all but a few—"two notable exceptions operate in the casualty field"—have been good co-operators. The insurance audience, of course, identified the two exceptions.

Extravagant Tales About Salary Paid to Haid

Mr. Milligan said that extravagant tales are being circulated about the salary paid to Paul L. Haid, president of the Insurance Executive Association. He said that Mr. Haid is being paid a substantial salary, "but no more than one would naturally expect that the underwriting head of a great group of companies could command."

The speaker struck out at mutuals and reciprocals, calling the latter "gentle brigands." He made the charge that the insurance newspapers do not properly discriminate in selling advertising space. He said that vast amount of statistics are compiled for insurance departments but that little use is made of them.

Mr. Milligan recalled that from 1921-30 about 250 new companies were launched, and foreign companies entered the country. He expressed the belief that every one of them lost money. Notwithstanding the diminution in premium income and the fact that "substantial" insurers offer adequate facilities, he said "it was announced recently that a British company whose principal field is said to be industrial life insurance, was about to invade the United States."

Represent Its Assets as Being \$300,000,000

Mr. Milligan quoted representatives of that company as stating its assets to be more than \$300,000,000 and that in this respect it would be the largest company operating in the United States for fire insurance. Mr. Milligan said that this representation is as unfair as the representation would be if the Travelers should claim that its assets of \$700,000,000 were behind the Travelers Fire or if the Aetna Life should intimate that its \$500,000,000 of assets were behind the Automobile and the Standard Fire.

"With the sum that the foreign company under discussion actually has available for fire losses," Mr. Milligan declared, "the chances are that it would rank considerably below most of the

British companies doing business in this country and very far from the top, if its true resources were compared to those of the larger American companies."

Mr. Milligan said there is no easy road to underwriting success. The only sound method is in the exercise of years of sound building and careful cultivation.

I. E. A. Will Not Attempt to Do the Impossible

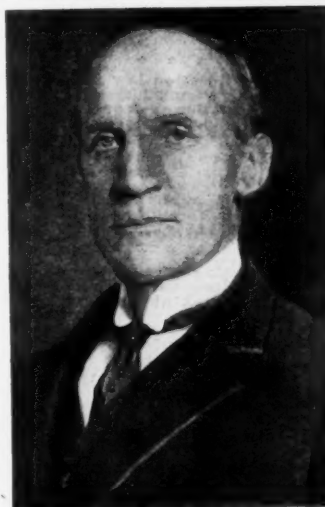
The speaker said that the Insurance Executives Association will not attempt to do anything in a hurry and will not try to accomplish the impossible. It expects to promote better understanding between the companies and to see that they fulfill their obligations throughout the country. He said that it expects to initiate changes in fixing rates, when not prohibited by law, that will result in a great saving. It expects to bring about simplification of rules and clauses.

While speaking of Mr. Haid's salary Mr. Milligan said that the budget of the Insurance Executives Association "is for an aggregate sum that seems trivial when one takes into consideration the fact that the companies affiliated with it are writing premiums in excess of a half billion dollars."

The American agency system, Mr. Milligan said, is indigenous and he predicted that it will survive indefinitely if

(CONTINUED ON PAGE 11)

Gives Frank Talk



EDWARD MILLIGAN, Hartford, Conn.

President Edward Milligan of the Phoenix of Hartford group gave a most illuminating, penetrating and frank address this week before the annual meeting of the American Association of Insurance General Agents held in his city. Mr. Milligan is one of the most brilliant executives in the business and what he says commands attention.

Foreign Companies More Aggressive

Find Competitive Advantage in
Present Situation After Being
Overshadowed

INCREASING IN FAVOR

Financial Program, Governed at Head
Offices, Never Departed from
Bond Purchasing

One of the interesting developments in the depression is the new lease of life taken by the foreign companies in their operations in this country. After having traveled at a pedestrian pace, in comparison with the American companies, since about 1922, a situation has come about which gives more impetus to the foreign companies than has been the case for some years.

The foreign companies on the whole did not reap their full share of the harvest during the prosperous decade ending in 1930. Their investments are governed from the head offices in other lands, and, generally speaking, their portfolios have been short on equities. Accordingly, while American companies were making handsome investment gains, thus being able aggressively to develop their plants, the foreign companies had to plod along with eyes focused on the trade profit item.

Stock Ownership Factor

Another factor was the interest taken by agents in ownership of stocks of American companies. Having a stake in the American companies, the agents naturally favored them with business. So acute was this form of competition that one of the large foreign companies was considering making available a large block of its shares to be purchased by agents in this country.

While American companies were extending their services in every direction, the foreign companies were forced to watch the expense item at every turn; departmental offices were taken up and other economies were effected. They felt that by concentrating their operations, they stood a better chance of an underwriting profit. This is not to say that the foreign companies languished, but they were decidedly overshadowed in comparison with the great expansion of the domestic carriers.

The position of the foreign companies following the war was a reversal of form, for in the 1890's and early 1900's, the large foreign companies were in a favored position and exerted much influence.

Now Popularity Increasing

Now the foreign companies seem to be increasing in power again. They are able to get in agencies where they have not been able to secure admittance before. They are participating in lines

(CONTINUED ON PAGE 10)

Paul Haid in First Public Appearance in New Capacity

ADDRESSES THE PENN POND

Head Insurance Executives Association Outlines Some Objectives in Speech at Philadelphia

Paul L. Haid delivered before the Penn pond of the Blue Goose at Philadelphia his first public address since being elected president of the Insurance Executives Association. The meeting was attended by 200 executives, agents and field men.

He advocated simplification of rates, with the idea of bringing about similarity in that respect in the same or adjacent territory. In this program, he declared, it is the intention to use the company organizations and the major rating organizations. Eventually, the desire is, he said, that rates in one state will have a similarity to those of another.

Likewise, he declared, forms should be simplified without impairing any of their vital provisions.

Take Best from All

"We have no idea," he said, "of tearing down organizations that have carried on faithfully but we hope to take the best elements from all and utilize this to the greatest saving of all concerned. What may apply to Pennsylvania may be entirely out of line in Michigan, but we hope to get the best out of each and, so far as possible, have uniformity to the degree found possible."

Mr. Haid said that the Insurance Executives Association was first projected as a regulatory body to guide the ethics of the business, but that later the decision was reached to broaden its scope.

Mr. Haid said that loyalty and fair play cannot be carried out by the companies unless they are carried through to the field men. They are responsible for their company's reputation in their field, he said.

Mr. Haid asked support of all territorial organizations. He said the obligations for proper practices are no greater upon members of the Insurance Executives Association than upon all the regional organizations. The Insurance Executives Association will not create a large staff, he declared, but will conduct affairs largely through men already in the field and through leaders in the business.

Adapt Business to Times

One of the objectives of the association will be to conceive means of handling insurance on business to comport with newer mercantile methods. Manufacturers and merchants, he pointed out, now carry small stocks with the result that there are fewer goods on the shelves and more "on the move."

Mr. Haid emphasized the importance of proper loss handling. He said that dishonesty in this matter is very often due to incompetent field men. No field man can better serve his company than to see that losses are properly handled, according to Mr. Haid.

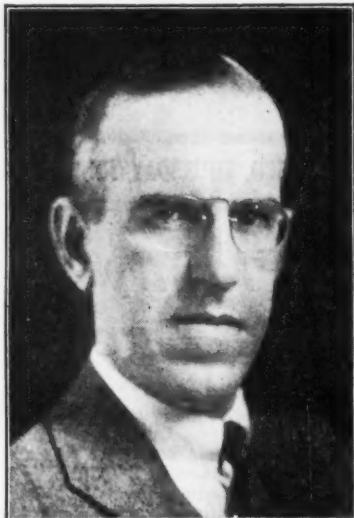
Prominent Executives Present

The toastmaster was Charles H. Holland, former president of the Independence Indemnity. Among those introduced, who spoke briefly, were Wilfred Kurth, president of the Home; Gustavus Remak, Jr., president of the State of Pennsylvania; O. E. Lane, president of the Fire Association, and W. T. Reed, president of the Camden Fire.

Two floors at 116 John St. have been leased by the Fire Companies Adjustment Bureau, and will be occupied on or about Aug. 1.

The First National Company, Shawano, Wis., has been incorporated by Albert Trathen, P. G. Sanborn and R. A. Kuckuk.

New President



LANGDON C. QUIN, Atlanta, Ga.

Langdon C. Quin of the general agency firm of Hurt & Quin of Atlanta was elected president of the American Association of Insurance General Agents at its annual meeting in Hartford this week. He has been chairman of the executive committee and is one of the real leaders in the organization. Mr. and Mrs. Quin have often attended insurance meetings, both being very popular. Mrs. Quin is the daughter of former Insurance Commissioner A. S. Caldwell of Tennessee.

Davis With North British

C. F. Davis, independent adjuster, Chicago, has joined the North British & Mercantile in charge of its newly established staff adjustment office at Chicago. Mr. Davis was for a number of years general superintendent of claims, nationwide, for one of the large casualty companies. He has been in Chicago for three years, first as office manager for

Agreement on Encroachment of Transit Covers Unsigned

BRIEF IS TO BE SUBMITTED

New York Department Still Hopeful Lines of Cleavage Can Be Determined in Conferences

NEW YORK, June 8.—After a lapse of eight months, within which period a number of conferences have taken place among representative fire and marine officials, insurance men and department officials, no decision has yet been reached as to the line of cleavage between fire and marine, and between marine and casualty interests in the writing of business under transit covers.

Absence of specific statute upon the subject has made the department unwilling to take a positive stand thus far, though it has used every effort to bring about a satisfactory agreement among the underwriters, and will continue to this end.

After the recent joint meeting, the fire and marine men were to submit a brief to the department outlining their ideas as to the intent of sections 10, 70 and 150 of the state insurance law. After this has been received and perused, department officials will express their opinion, and it is anticipated a meeting of minds will result.

Casualty underwriters remain firm in their insistence that coverage against loss through burglary of permanent household effects under a marine policy is a violation of the intent of the statute, and the practice should be discontinued.

the Automobile Protective & Information Bureau, and for the past year and a half operating his own adjustment office.

Seek Pardon for Banks

Petitions are being circulated seeking pardon for A. B. Banks, former president of several insurance companies of Little Rock, Ark.

North America's Resignation Tendered Effective Sept. 1

I. M. U. A. IS IN JEOPARDY

Prominent Company Takes Exception to Excess Commissions Paid by Some Carriers on Inland

The Inland Marine Underwriters Association of New York is threatened with loss of prestige and power which might cause its dissolution as a result of action of the North America in tendering its resignation June 1, effective Sept. 1. The North America's action is said to be due to its objection to excess commissions which a number of companies have been paying on some lines in order to obtain other accompanying inland business.

The North America was one of the prime movers in forming the I. M. U. A. about two years ago and of course is one of the most prominent members. Its notice of intention to resign Sept. 1, unless certain practices are corrected, therefore is of first importance in the organization.

Basis of Objection

It is understood the North America is unwilling to continue as a member while the association controls rates on some lines but is unable to control commissions on all the principal inland marine lines. This is the crux of its objections upon which its possible resignation hinges.

The North America never has paid high commissions in its inland marine department, because it has maintained branch service offices throughout the country. Other companies perhaps not so well organized have seen fit to buy business with excess commissions on some leading lines.

The North America in its letter of resignation declares the I. M. U. A. appears unable to carry out its duties expressed in the agreement on which it was founded. However, it is said a strenuous effort is being made in the organization to strengthen it along these lines and comply with the North America's criticism so it will be unnecessary for that company to carry out its threat.

Consider Taking Jurisdiction

For some time there have been reports that the I. M. U. A. has been considering taking jurisdiction over a number of other inland lines which it has not controlled. Some of these are silverware, musical instruments, motor truck cargo, railroad and express, radium floaters, fine arts, trip transit, neon signs, trophies, etc. It is said that it is in some of these covers that the excess commissions have been paid.

Until recently there was no outward indication that the I. M. U. A. did not have all of the power in controlling forms, rules, rates and commissions which was its reason for organization. A number of companies are said to have been fined in the past for infractions of rules. Whether these fines were assessed for payment of excess commissions is not generally known.

Meeting Date Is June 20

The annual meeting of the Minnesota Underwriters Association will be held at Spring Park, a lake resort near Minneapolis, June 20. Approximately 100 underwriters from various sections of the state are expected, E. F. Wirth, president, said.

Heads Women's League

Miss Alice Lakey of Newark and Cranford, associate editor of "Insurance" published in Newark, has been reelected president of the League of Insurance Women.

THE WEEK IN INSURANCE

Exhibit of license taxes assessed by Kentucky towns draws attention to injustice of those assessments under certain circumstances. **Page 5**

Agents qualification law is chief topic of discussion at annual meeting of West Virginia Association of Insurance Agents at Elkins. **Page 6**

National Union Fire proposes to reduce capital from \$2,750,000 to \$1,100,000. **Page 8**

Home of New York to cut capital from \$24,000,000 to \$12,000,000. **Page 8**

Annual meeting of the American Association of Insurance General Agents was held this week at Hartford. **Page 3**

North America tenders resignation to Inland Marine Underwriters Association; takes exception to excess commissions paid by some companies. **Page 4**

After eight months of conferences, agreement as to line of cleavage between fire, marine and casualty companies over transit covers remains in air. **Page 4**

Important reductions in automobile fire, theft and collision rates effective June 6 in ten western states. **Page 5**

W. S. Crawford, insurance editor of the New York "Journal of Commerce" analyzes the expense ratio problem in address before the American Association of Insurance General Agents. **Page 5**

Foreign companies appear to be more aggressive after being more or less overshadowed for a decade by the American companies. **Page 3**

Frank L. Erlon, independent adjuster of Chicago, tells the Illinois Blue Goose self reliance of many adjusters is shaken now that companies are watching claim settlements with great vigilance and experts are often unwisely being summoned. **Page 7**

Address of Edward Milligan, president of the Phoenix of Hartford group, before American Association of Insurance General Agents at Hartford created unusual interest because of the pertinent subjects that he discussed. **Page 3**

Langdon C. Quin of Atlanta is elected president of the American Association of Insurance General Agents this week. **Page 4**

R. E. Carter, Fidelity & Deposit manager at Dallas, in a talk before Texas Association of Insurance Agents, urges cultivation of contract bonds covering private construction. **Page 31**

The first five months of this year better than last year from point of view of over-all loss ratio in the casualty business. **Page 31**

Towner Bureau quotes \$16 rate for construction bond on Hoover Dam tunnel, with commission of 10 percent, and \$11.65 rate on Coast Range tunnel. **Page 33**

Liquidation of the New Jersey Fidelity & Plate Glass by the New Jersey department constitutes a new departure in that state, previous liquidations there having been in charge of individual receivers. **Page 31**

Many lively topics presented at Health & Accident Underwriters Conference in Chicago. **Page 31**

Ten States Get Auto Rate Cuts

Reduction of 15 Percent in \$100
Deductible Collision
Form

FIRE, THEFT REVISIONS

National Automobile Underwriters As-
sociation Promulgates Changes in
West—Territorial Classification

NEW YORK, June 8.—Important changes affecting the writing of automobile fire, theft and collision insurance in Illinois, Iowa, Kentucky, Minnesota, Nebraska, North Dakota, Ohio, South Dakota, Tennessee and Wisconsin went into effect June 6. As set forth in the first supplement to the 1932 manual of the National Automobile Underwriters Association, the changes apply to "\$100 deductible collision premiums for passenger and commercial automobiles; commercial automobile fire rates; interurban truck collision premiums; method of rating dealers forms 1A and 3; rule changes and territorial reallocations."

All of the revisions represented reductions. Automobile fire rates are affected the least by the change. Sioux Falls, S. D., La Crosse, Wis., and Marion, O., were changed from schedule B to schedule A. Memphis and the so-called remainder of state territory of South Dakota were changed from schedule C to B.

Benton, Harrisburg, Murphysboro and Pinckneyville, Ill., were changed from D to C as were Paducah, Ky., Chattanooga and the remainder of state territory in Kentucky.

Theft Rate Changes

In the field of theft rates, the remainder of state territory in Illinois, Iowa, Nebraska, North Dakota and South Dakota were changed from schedule B to A. The theft rates in the following cities were also changed from B to A: Sioux Falls, S. D., Beloit, Green Bay, La Crosse, and Madison, Wis.

The remainder of state territory in Kentucky was changed from schedule D to C for theft. East Liverpool and Lima, O., were also changed from D to C.

The theft rate in the following cities were changed from schedule C to B: Bloomington, Danville, Decatur and Edwardsville, Ill.; Mason City, Ia.; Lincoln, Neb., and Canton, O. The theft rates in Collinsville, Ill., were changed from schedule E to D.

Those cities, which in the manual promulgated early this year, were changed from A to B classification were thus given about a 42 percent increase in theft rates. Transferring them back to the A classification gives them an increase of about 20 percent over their last year's rate.

Collision Changes

There is no change in the full cover, \$25 and \$50 deductible collision policy but there is a reduction of 15 per cent in the \$100 deductible.

Revised rates in Missouri, Oklahoma, Indiana and Kansas will be filed soon.

In Michigan rates will be issued effective June 15. The plan was to issue new rates for Michigan effective June 6 as in the other states, but the Michigan agents requested the National Automobile Underwriters Association to defer action for a week in the hope that the casualty companies might be induced to reduce property damage and liability rates. There has been no fire,

(CONTINUED ON LAST PAGE)

Injustice of Municipal License Tax Is Analyzed

List Sent Out by Kentucky Actuarial Bureau Causes
Study

The attention of executives this week was attracted to what a proportionately heavy burden municipal license taxes are on companies with a small volume of business in towns and cities making such assessments. A list sent out by the Kentucky Actuarial Bureau showing the towns in that state assessing a municipal license tax against fire insurance companies and the charge per \$100 of insurance collected by the companies to offset that tax, directed attention to the injustice of the license tax under certain conditions.

So impressed was one executive that he is causing a survey to be made to determine whether it would not be wise to have one or more of his companies withdraw from certain towns and cities. The rating bureaus take cognizance of the license tax in the rate makeup. The premium volume in a town is divided by the number of companies operating there and that percentage is added to the rate. Companies whose premium volume in that town is equal to or more than the average are, of course, compensated for the license tax outlay, but the license tax to companies with less than average volume may run 5 to 10 percent of their premiums. This is in addition to the proportionately greater expense of supervision where premium volume is small.

Sees Possibility of Saving

The executive who is already acting believes that when the experience in all states is considered, the operations of his companies in towns where the receipts are less than the average could be eliminated with a substantial saving. This is an indication of the scrutiny to which all insurance activities are being subjected these days with eyes focused upon net profit.

Following is the list sent out by the Kentucky Actuarial Bureau showing the towns, the amount of the license tax and the charge per \$100 of insurance collected by the companies to compensate for the tax. In all towns except Carrollton the tax is added by the agent to all classes of property, both fire and tornado. In Carrollton the charge is added to fire rates only. In Louisville, the tax is included in all published rates.

Adairville, \$3.50, 1%; Auburn, \$6, 1%; Augusta, \$10, 3%; Bardonia, \$15, 1%; Berea, \$10, 1%; Bloomfield, \$5, 1%; Bowling Green, \$25, 2%; Burgin, \$10, 1%; Campbellsburg, \$15, 2%; Carlisle, \$20.25, 4%; Carrollton, 2%; Clinton, \$10, 1%; Corydon, \$2.50, 1%; Covington, 1%; Danville, \$10, 1%; Dover, \$5, 2%; Elizabethtown, \$25, 2%; Elkton, \$8, 1%; Eminence, \$10, 2%; Falmouth, \$2.50, 1%; Flemingsburg, \$20.25, 4%; Frankfort, \$35, 4%; Franklin, \$15, 3%; Georgetown, \$12.75, 1%; Glasgow, \$15, 1%; Harrodsburg, \$10, 1%; Henderson, \$15, 1%; Hodgenville, \$10, 1%; Hopkinsville, \$25, 2%; Horse Cave, \$10.50, 1%; Lancaster, \$5, 1%; Lawrenceburg, \$5, 1%; Lebanon, \$11, 1%; Lebanon Junction, \$5, 1%; Lexington, 3%; Louisville, 3%; Madisonville, \$12.50, 1%; Marion, \$10, 1%; Mayfield, \$10, 1%; Maysville, \$10, 2%; Middlesboro, \$10, 1%; Midway, \$5, 1%; Mt. Sterling, \$25, 2%; New Castle, \$2.50, 1%; Nicholasville, \$25, 3%; Owensboro, 1%; Paducah, 2%; Paris, \$25, 2%; Pineville, \$15, 1%; Pleasureville, \$10, 1%; Princeton, \$15, 2%; Richmond, \$20, 3%; Russellville, \$10, 1%; Scottsville, \$10, 2%; Sharpburg, \$12.50, 3%; Shelbyville, \$15, 1%; Somerset, \$15, 1%; Springfield, \$5, 1%; Stanford, \$10.50, 1%; Taylorsville, \$5, 1%; Versailles, \$25, 3%; Wilmore, \$5, 1%; Winchester, \$26, 3%.

To consider the burden imposed upon companies with less than average premium volume, a town producing \$30,000 of premiums and having 30 insurance companies therein may be taken. If the license tax in that town is \$10 per company, there is a tax upon all companies totaling \$300. To get the rate loading

Gossipers Should Be Asked If They Have Made Audit

The following letter, which was sent out by the manager of one of the strongest fire insurance companies to his field men, contains wholesome advice today when rumors and much irresponsible gossip are causing great damage to insurance institutions:

"The trying situation which confronts every institution whose activities are based upon security values, demands the greatest caution on the part of those engaged in the business, against any misleading word or action. Companies whose capital structure was in excess of their requirements, and who have seen fit to strengthen their free surplus by transfer of capital to surplus, have no doubt acted wisely for the benefit of their policyholders and should be commended for thus enlarging their surplus account."

"Those companies more fortunately situated, with ample surplus to meet their requirements, are to be congratulated but nevertheless, they must carry a responsibility to constantly preserve the confidence of the agency forces and the public in stock fire insurance."

"I must ask you to refrain from making any uncomplimentary remarks about the financial condition of any competitor. It takes a complete audit to determine the condition of any company, and certainly neither you nor I can assume to express an opinion. The great trouble in these times is, 'It is not so much what we know, but rather we know so much that isn't so.'"

"Talk your own company and you will have plenty to do without worrying about others."

the total tax paid by the companies, or \$300, is divided by the total premium volume in the town, or \$30,000. That gives a loading of 1 percent. A company, therefore, that has \$1,000 premium volume in the town gets back \$10 because of the loading and thus comes out even. But a company with only \$200 volume pays a tax of \$10 and gets back only \$2 because of the loading. Thus it is paying out for the license tax an amount equal to 4 percent of the premiums in that town.

Some executives feel that there would be more justice in having the license tax based on a percentage of the premium volume. If a 1 percent license tax were charged, then a company with \$200 volume would pay \$2 and would get back \$2 because of the loading.

Insurers' Income Tax 13 3/4 Percent in Revenue Bill

WASHINGTON, D. C., June 8.—Senate provisions relating to the taxation of insurance companies are carried throughout in the revenue bill which has been signed by the president. The tax upon insurance corporation income will be 13 3/4 percent.

In dealing with income of insurance companies other than life or mutual, the bill includes the senate addition to the provision defining gross income as including "all other items constituting gross income under section 22."

Exempted from corporation tax are "farmers' or other mutual, hail, cyclone, casualty or fire insurance companies or associations (including interinsurers and reciprocal underwriters), the income of which is used or held for the purpose of paying losses or expenses."

Expense Ratio of First Importance

Some Fear Increase in That Item
More Than Security
Depreciation

VIEW OF W. S. CRAWFORD

Insurance Editor, Before General Agents,
Advocates Showing Proportion of
Expenses That Benefits Public

The continual increase in expense ratio, to some executives, is a greater problem than the effect of depreciation of securities on surplus. W. S. Crawford, insurance editor of the New York "Journal of Commerce," told members of the American Association of Insurance General Agents in annual session at Hartford. Executives do not know where the expense ratio will end, according to Mr. Crawford, but they fear that the result will be very serious. "One friend of mine even predicts," he said, "that eventually the stock companies will be forced to mutualize and to abandon the agency system."

Mr. Crawford said that in 1830 the Hartford Fire closed its first 20 years of operation with an average expense ratio of 14 percent. From 1860 to 1870, the average expense ratio was 31 percent; in 1900, 37 percent; in 1920, for National Board companies, nearly 46 percent, and in 1930, 56 percent. This latter figure, he pointed out, was abnormal, due in part to a sudden drop in premium income.

Compares 1930 with 1903

In 1930, as compared with 1903, Mr. Crawford stated, the average price for \$100 of insurance had come down nearly a third and the losses per \$100 of insurance had been reduced at about the same rate, but the expense ratio, figured against the premium income based upon the reduced average rate, had gone up about a third.

There had been great activity in that period, he pointed out, in fire prevention work. Much income was being spent in educating the public to the fact that it would be benefited by reducing losses. That caused a reduction in the average rate, which caused the expense ratio to rise. In addition taxes were higher. Influx of new capital and gains in surplus from appreciation caused management to speed their efforts to earn income on greatly increased capital funds and the speeding up involved increasing expenses.

In 1930, 500 stock companies were writing fire and allied lines. The number of company officers, employees and equipment was much larger than was needed and field men in large numbers were appointing new agents and inducing old ones to take on their company, thus dividing business among still more companies. The inevitable rise in expenses was not so noticeable until premium income dropped.

Depression Is Corrective

The depression is a corrective, he said. Depreciation has taken much of the excess capital out of the business. Many companies have retired and more will do so. Fields have been combined and field men laid off. Many agencies have been discontinued. However, he said, when depreciation has done its worst, the fact will still exist that taxes and expenses consume a large percentage of premium produced by a low average rate.

Insurance commissioners, he pointed

(CONTINUED ON LAST PAGE)

Qualification Law in W. Va. Urged

Companies Will Not Combat
Measure, Harlan Justice
States

CONVENTION AT ELKINS

President Keim Recommends West Vir-
ginia Become Affiliated With
E. U. A. or S. E. U. A.

NEW OFFICERS ELECTED

President—R. M. Henry, Fairmont.
Secretary—Justice Harlan, Huntington.
Chairman executive committee—H. S. Ellis, Huntington.

By C. C. CROCKER

ELKINS, W. VA., June 8.—The principal topic of discussion at the annual convention of the West Virginia Association of Insurance Agents was the agents' qualification law, which the association hopes to have the legislature pass during the next session. President H. H. Keim first brought this out in his opening address and expressed the hope that the agents would co-operate in seeking its enactment and C. W. Thornburg, Huntington, repeated this thought in his report of the conference committee.

Mutuals More Active

Harlan Justice, secretary of the Association, in his report, added that "closer co-operation between agents and companies should be attained, especially on questions of legislation and conference. We are contemplating an agents' qualification, law, revision of our present resident agents law and possibly some revision of the capital requirements of certain classes of companies. We expect to go into the 1933 session of the legislature with the full cooperation of the companies whereby they will not openly combat any measure that the agents desire passed for the purpose of strengthening the insurance business. Never since my connection with the state association have the company special agents and officials been in a more cooperative frame of mind than at the present time."

His report also mentioned the activity of mutuals in sections in which they have not previously been active, due to the rate increases by stock companies, and he urged the agents to learn as much about mutual insurance as those who sell it. He suggested that the officers of the newly organized traffic safety council of

West Virginia be assured of the complete cooperation of the association in whatever attempts they make to secure safety on the highways.

President Keim recommended that West Virginia become affiliated with the Eastern Underwriters Association or the Southeastern Underwriters Association in an effort to have more uniform practices.

The recent automobile rate increase by the companies came in for its share of the discussion, the feeling being that the recent discussion on this subject has brought out the fact that many of the changes by the new West Virginia code will have to be interpreted by the courts before the powers of the insurance department are clearly set forth. The question of the insurance department's authority as to automobile liability and property damage rates is to be appealed to the supreme court this week. Mr. Thornburg told of his committee's conference with the companies on this subject and said: "We believe from the data and facts available that the companies are entitled to some increase. How much, we do not know. The method of calculating these rates is so complicated that it is impossible to reconcile the figures used by the companies with those of the insurance department or to use the arguments in selling the increase to your assured."

Election of Officers

R. M. Henry, Fairmont, was elected president; Justice Harlan, Huntington, re-elected secretary, and H. S. Ellis, Huntington, elected chairman of the executive committee. Mr. Henry is a member of the Laughlin-Henry agency which is one of the most aggressive offices in his city, and during the past few years has become prominent in the state association. Last year he was chairman of the executive committee. He has been in insurance for eight years and has studied law but never practiced. He plans to renew the drive for membership in the state association during the coming year.

Chairmen of other committees include John B. Welch, grievance; A. J. Kincaid, Montgomery, legislative; F. D. Calley, Huntington, finance; Linn V. Hall, Fairmont, membership; C. W. Thornburg, Huntington, conference; C. V. Fellers, Mullens, fire prevention.

It is expected that the next meeting will be held at Fairmont, although Beckley has extended an invitation.

Resolutions Are Reported

Resolutions adopted included the approval of the action by the insurance commissioner in his endeavor to establish the right of his office to jurisdiction of casualty and surety rates, the appointment of a special committee to confer with similar committee of the West Virginia Fire Underwriters Association in all matters regarding agencies representing stock and mutual companies. It approved the action of the National association in recommending to agents that they decline to agree to a reduction

of commissions unless this is approved by the National association.

It instructed the legislation committee to prepare bills for agency qualification, resident agents law and appropriations to insure all state property. It endorsed efforts of the West Virginia Association of Automobile Clubs to secure passage of a model financial responsibility law, and also recommended that it be made illegal for any person occupying an official position to represent any insurance company.

Merry on Mutuals

The discussion by Frank Bell of the resolutions passed by the National association at Cleveland was omitted from the program because of Mr. Bell's enforced stay in New York. A. Gordon Merry, Huntington, speaking on "Mutual and Reciprocal Competition as We Meet It in West Virginia" urged members not to spend their time trying to get business already being served by a stock agency but to get the assureds now using mutual insurance to place their business in stock companies. He said that the stock agent should not prejudice the assured against mutual life insurance, however.

A discussion of the advisability of the inclusion of an automatic cancellation clause in fire and casualty policies for non-payment of premium led by A. K. Brake of Buckhannon led to this being endorsed by the association and its being recommended to the National association.

Agents were urged to fight bank agencies; to notify all their companies to withdraw from them and that if no action was taken in 60 days report to the National association.

Two Banquet Speakers

At the banquet the two speakers were Kenneth H. Bair, president of the Pennsylvania Association of Insurance Agents, and Edgar C. Lawson, insurance commissioner of West Virginia. Mr. Bair told of the growth of the National association and of the value of the local and state associations and urged stronger support of the National association by greater interest in the local associations, not only in attendance of meetings but in securing new members. He praised the formation of the Insurance Executives Association.

Mr. Lawson urged the agents to increase their legislative activities and to send out a questionnaire to candidates for the legislature as to their position on various insurance questions.

Now "Midwest Insurance"

"Midwest Insurance" is the new title of the monthly magazine published at Omaha in the interest of insurance, and operated for a number of years as the "Insurance Forum" by Henry H. Lovell. The new owners explain that they believe the new name is more fitting for a sectional publication.

The Pacific National Fire of San Francisco has been admitted to Utah.

Good News! Small Boom Starting in Texas

HOUSTON, TEX., June 8.—So far from complaining of the business depression now experienced in most sections of the country, Texas is having what its citizens term "a little boom." Wisely departing from the one crop idea so long prevailing, its planters are turning to cattle and poultry raising and other diversified efforts, with most satisfactory result thus far. While cotton will continue to be the great staple of the state it will no longer be depended upon as a sole revenue producer. Other one crop or one industry states might profitably follow the example of the Lone Star State and broaden the scope of their activities.

Seeking to Enforce All Regulations

Evidently the pressure exerted by President Paul Haid, Insurance Executives Association, is being felt not only at home offices but in departmental work. It is made clear by company executives that the new organization does not intend to interfere with jurisdictional associations such as the Eastern Underwriters Association, Southeastern Underwriters Association, Western Underwriters Association and Pacific Board. At the same time it is evidently the intention of the executives' body to see to it that rules and regulations are strictly followed throughout the country. Therefore department managers are told that they will be held strictly to account. The officers of the jurisdictional bodies are instructed to enforce the rules and if they are unable to do so then the violations must be reported to headquarters. Through the instrumentality of the Insurance Executives Association it is hoped to get operations on a basis of equality where no advantages are taken.

Must Get New License

Notwithstanding the Lincoln Fire and the Chicago F. & M. were both licensed in Massachusetts, the consolidation of the two companies under the name of the Lincoln Fire necessitates the filing anew with the Massachusetts commissioner all documents specified in section 151 of chapter 175, appointment of one or more resident agents, and payment of prescribed fees before receiving a license to do business in this state.

That was the finding of Attorney General Warner of Massachusetts in an opinion to Commissioner Brown.

OTTO SCHENK, President

JOS. H. REASS, Secy.-Treas.

Homeseekers Fire Insurance Company

WHEELING, W. VA.

CAPITAL \$201,000.00

FIRE

TORNADO

AUTO

Operating in West Virginia, Ohio, Maryland,
Delaware, District of Columbia and Indiana

HENRY BIEBERSON
President

WM. V. FISCHER
Vice President and Secretary

J. W. AHRENHOLTZ
Assistant Secretary

WHEELING FIRE INSURANCE CO.

WHEELING, WEST VIRGINIA

Erion Says Self Reliance of Many Adjusters Shaken

EMPLOY TOO MANY EXPERTS

Some Adjusters, Subject to Unusual
Criticism From Companies Are
Passing the Buck

Because of the vigilance with which companies have been watching their adjustments in the past year or two, the self confidence of many adjusters has been shaken and they have often needlessly employed so called experts on whom to pass the buck in case of criticism. This observation was made by Frank L. Erion, well known independent adjuster of Chicago, in a talk before the Illinois Blue Goose at a luncheon in Chicago Monday. This was the final luncheon session of the season for the Illinois Blue Goose.

Accountants, engineers and other experts, he said, have been put in direct negotiations with the assured. This often has precipitated trouble, because of the lack of diplomacy of the experts. Experts, Mr. Erion said, should be used merely as sources of information.

In their fear of criticism, adjusters have carried the employment of so-called experts to a ridiculous extreme, according to Mr. Erion. Heavy fees have been paid for services that were far from expert and often much inferior to the adjuster who employed them.

Gives an Example

Mr. Erion told of a 22 year old young man who recently approached the general adjuster of a fire company offering his services as a building expert. He said for three years he had been preparing estimates for a prominent contractor, which had, without change or correction, been presented to the adjusters as the estimate of this contractor.

Companies, he said, should choose an adjuster with ability worthy of their confidence and depend fully upon his personal judgment. If the word of the adjuster cannot be safely taken, he is unfit for that position, Mr. Erion declared.

These are days that test the ingenuity and resourcefulness of the adjuster, Mr. Erion said. There is now seldom a loss, he pointed out, which does not involve some articles which can be replaced with like kind at a price less than the one paid by the owner. High priced merchandise is carried over into the new year at a price which is higher than its actual cost of replacement at the time of inventory. Merchandise which was bought last week may have cost a price higher than the one for which it could be bought today. Invoices, therefore, do not prove cost to replace and are not a safe basis for adjustments, he said. Telegraph quotations from the manufacturers cannot be depended upon. He told of an adjuster who caused a machinery dealer to telegraph to a manufacturer asking for a quotation on a machine. He got a quotation of \$5,500 f. o. b. plant. Then a second wire was sent: "Will you accept \$4,600 cash for machine?" In half an hour, according to Mr. Erion, a reply came back: "Yes, when shall we ship?"

While the plant owner or the merchant may be quite willing to sell to customers for cash at a low price, Mr. Erion said, they refuse to accord insurance companies the same consideration.

Inter-Ocean's New Statement

The Inter-Ocean Reinsurance of Cedar Rapids, Ia., has issued its new statement as of March 31, using the actual market values as to securities on that date. Its assets are \$4,190,350, premium reserve \$2,310,754, loss reserve \$363,229, capital \$500,000, net surplus \$818,739. This gives total capital and surplus of \$1,318,739.

INSURANCE STOCK QUOTATIONS

BY HOWARD W. CORNELIUS
Of Bacon, Whipple & Co.
112 West Adams Street, Chicago
As of June 6

Stock	Par	Share	Bid	Asked
Aetna Cas.	10	1.60	19	21
Aetna Fire	10	2.00	19	21
Aetna Life	10	1.20	15	17
American, N. J.	5	.80	5	6
Amer. Surety	25	...	9	11
Automobile, Conn.	10	1.00	9	11
Baltimore Amer.	2.50	.40	1 1/4	2 1/4
Boston	100	16.00	210	230
Continental Cas.	5	...	4 3/4	5 1/4
Continental Ins.	10	2.40	9	10
Fidel.-Phenix	10	2.60	9	10
Fire Assn.	10	1.60	3	4
Fireman's Fund.	25	5.00	25	26
Fireman's F. Ind.	15	16
Firemen's	10	1.20	5	6
Globe & Rut.	100	20.00	50	55
Great Amer. Ind.	10	...	5	8
Hanover	10	1.60	15	17
Harmonia	10	1.80	5 1/2	7
Hartford Fire.	10	2.00	26	28
Home, N. Y.	10	2.00	9 1/2	10 1/2
Ins. Co. of N. A.	10	2.00	21	23
Mo. State Life.	10	...	4	4 1/2
National Cas.	10	1.20	5	7
National Fire.	10	2.00	24 1/2	25 1/2
National Liberty	2	.40	2 1/2	3 1/2
National Surety	50	...	6	7
National Union.	50	...	10	14
New World L.	10	.80	8 1/2	9 1/2
No. Amer. L.	5	1.00	8	9
N. W. National.	25	5.00	50	60
Phoenix, Conn.	10	2.00	33	35
Prov. Wash.	10	1.80	11	13
Public Fire.	5	...	1 1/2	3
Public Indemnity	5	...	1	1 1/2
Springfield F. & M.	25	4.50	40	44
St. Paul F. & M.	25	6.00	80	84
Tavelers	100	*22.00	300	310
U. S. Fire.	10	2.00	8 1/2	10
U. S. Fld. & G.	10	...	2 1/2	3

*Extra dividend paid.
†Proposed change in capital.

North Dakota Elections Held

State Fire Prevention Association and
the Field Organization Had Their
Annual Meeting

FARGO, N. DAK., June 8. — Annual elections were held this week by the North Dakota Fire Prevention Association and the North Dakota Fire Underwriters Association. The former group elected H. A. Paulson, North America, president; R. F. Thompson, Hartford Fire, vice-president; W. G. Curtis, Fargo, Western National Fire, secretary. Mr. Curtis was re-elected. Satisfaction over the statewide inspection of cities fire hazards and cleanup campaigns, sponsored by the association, was expressed.

The fire underwriters association re-elected all officers. H. F. Morris, Pennsylvania Fire, is president; D. C. Brown, Fire Association, secretary; J. P. Wolfe, Moorhead, Minn., Security, vice-president.

Fictitious Loss Payment Checks Are Being Cashed

A number of fictitious loss payment checks carrying the name of the Alliance of Philadelphia and drawn on the First National Bank of Philadelphia have been cashed in Missouri and southern Illinois towns. A warning has been sent out. The payee usually appears as Jack King, although other names are used. The checks are signed, "Frank D. Keller." They are in amounts usually from \$10 to \$25 supposedly in payment of automobile collision losses. They are cashed usually by tradesmen.

Hail Writing Sharply Off

Apparently because of the decline of about 8 cents in the market for July wheat, hail writing in Kansas, Nebraska, Oklahoma and Texas suffered a sharp decline in the last ten days. Hail writing companies report that their volume at this time is about 25 percent of what it was last year.

How Insurance Reputations Are Built

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Some companies have the mistaken idea that all advertising is pretty much alike; that the advertising done in the daily newspapers by, for instance, Marshall Field & Co. Chicago's largest department store, is designed to accomplish the same purpose as an insurance company's advertisements in The National Underwriter.

It is not. There is no similarity.

Study the advertisements of department stores. Of what do they consist? Almost invariably they contain a list of today's "bargains". They tell of "special sales"; "unusual opportunities"; "anniversary week"; etc., etc.

This is what is known as direct action advertising. It is designed to get customers to walk into the store today to buy articles of merchandise that have been specifically described and the price of which is known. If the customers don't come in in sufficient numbers the advertising is a failure. The department store cannot console itself with the thought that perhaps its advertising has enhanced its prestige or reputation "or something".

Turn now to advertising in an insurance newspaper. It should never aim at the direct results accomplished by department store advertising in daily newspapers. Insurance companies have no bargain sales to offer, no "specials for today only". The whole appeal of insurance newspaper advertising lies in an entirely different direction. Its fundamental purpose is to build good will for a company, to give it a favorable reputation among those in the insurance business. Favorable reputations are not built in a day, a week or a year. To establish them takes time. The readers must be reminded again and again of the existence of a company, of its stability, its commendable record, and its service to agents.

We have never claimed that National Underwriter advertising will immediately build a staff of producing agents for a company. It will not. Neither will anything else. Insurance companies are not built that way. Instead, they grow gradually as one agent after another is added, and as the old agents write more and more new business and as they continue to renew most of what they have written in the past. The whole thing is a gradual process.

Our conviction is that an insurance company's most powerful prestige and reputation builder is National Underwriter advertising, and that the spread of a favorable reputation and standing is accomplished by steady, consistent advertising, and not by the catch penny appeals of the department stores.

(Number 20 of a series devoted to the
merits of National Underwriter advertising)

«»

The National Underwriter

The leading weekly insurance newspaper


E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

THE SATURDAY EVENING POST

NO TENANTS NO RENTS



UNLESS

the landlord has insurance against loss of rental income during enforced vacancy. Whether tenants are driven out by fire, explosion, riot, wind, storm or sprinkler leakage, adequate RENT Insurance will pay the owner his regular rental revenue until the property can be occupied. In like circumstances, the owner-occupant will receive from this form of Alliance protection a sum equal to his rental value with which to pay for temporary quarters. The cost being so little, every residential and business property should be protected by RENT Insurance.

Ask your
ALLIANCE

Big Taxes on Big Buildings
The biggest tax paid by

See advertisement appearing
June 25, giving a forceful
hint to every landlord to
"Ask your Alliance Agent."



THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

Head Office: 1600 Arch Street, Philadelphia

CHICAGO
209 W. Jackson Blvd.

SAN FRANCISCO
231 Sansome Street

NEWS OF THE COMPANIES

Chairman Offers Comment

Sir James Hamilton Makes Some Interesting Observations in Yorkshire Annual Report

At the annual general meeting of the Yorkshire of York, England, at its head office, Chairman and Managing Director James Hamilton, made some interesting remarks. The total assets are now £12,946,392. The number of subsidiaries operated by the Yorkshire is 13 writing all classes of insurance. The chairman referred to the world-wide trade depression and the problems it brings. In addition there came the further problem of exchange and depreciation of security values. He stated that in countries where the Yorkshire maintains ample funds in the local currencies to meet liability, the conversion into sterling of these trading account figures has been made at the par value of exchange. In countries where the practice is to receive remittances from representatives, also where the sterling value of local currencies has declined as in Australia, the Yorkshire has taken the current rate of exchange.

Depreciation Is Offset

When the holdings were listed at actual values Dec. 31, the Yorkshire found there had been a sharp depreciation. It felt that this should be met by the creation of an investment and contingency reserve. An amount has been set aside which more than covers the depreciation. The chairman does not see an early prospect of lessening the difficulties but he feels the company is in excellent shape to meet a continuance of the present situation. The Yorkshire reported a trading balance of 8 percent on its net fire premiums and about 3½ percent on its accident. The Yorkshire in its life department has strong reserves.

In speaking of investments the chairman stated that experience had shown that the British companies were following a consistent course and investing their capital and funds in the highest class of securities. He said, "It still remains evident that to depart from an established practice and include common or ordinary stocks involves material risks in a business that appertains to the nature of a trust."

Schroder Head of Belt Fire

Fred C. Nichols Resigns to Become President of Merchants Casualty—New Coast Reciprocal

LOS ANGELES, June 8.—W. Herman Schroder has been elected president of the Belt Fire and Belt Underwriters following the resignation of Fred C. Nichols. V. C. Bosworth was elected secretary of the Belt companies and transferred to the Los Angeles office in charge of the claims department. Mr. Schroder has been executive vice-president of the two companies for the past two years, prior to which he was with the United States Fidelity & Guaranty and the New York Indemnity.

Mr. Nichols has become president of the Merchants Casualty Association, recently organized Los Angeles reciprocal, which was licensed last week to write automobile lines. C. H. Smith also resigned as secretary of the Belt Fire to become chairman of the advisory board of the reciprocal, the secretary of which is M. H. Hope, formerly vice-president of the California Pacific Title & Trust Company of San Francisco. Offices of the new reciprocal have been opened at 606 Commercial Exchange building, Los Angeles.

Total Funds of the L & L & G

Some Interesting Items Taken from the Report Given at the Annual Meeting

The home office reports of the Liverpool & London & Globe for the end of the year show that it has now total funds on hand of £25,415,698. The premiums in the fire department last year amounted to £4,481,159 as compared with £4,699,244 for 1930. The losses last year were £2,168,330. The fire fund now amounts to £3,567,464. The accident department reported premiums £5,399,144 as compared with £5,695,890 the year before. The claims were £3,531,474. The accident fund now amounts to £6,246,392. The marine premiums were £322,768 as compared with £356,212 the year before. The marine funds now amount to £429,107.

The new business in the life department last year amounted to £1,950,151, an increase of £46,862. The premiums were £781,821. The life funds now amount to £9,471,850 and the annuity fund to £590,840.

The total amount transferred to the profit and loss account from the underwriting accounts including life is £219,544. There was £70,000 transferred to the staff pension fund. The directors recommended a final dividend of 13/6d per share, making the total dividends for the year 27/ per share, less tax, being the same as for 1930.

National Union Fire to Act

Proposal Made to Reduce Capital From \$2,750,000 to \$1,100,000—Stockholders' Meeting August 4

PITTSBURGH, July 8.—When stockholders of the National Union Fire meet in special session Aug. 4, consideration will be given the proposal of their directors that the capital of the company be reduced from \$2,750,000 to \$1,100,000, by changing the par value of shares from \$50 to \$20. This will release to surplus \$1,650,000. In advising of the intended move the management states that while "the underwriting results for the first quarter of this year are materially more favorable than for the similar period of 1931," the company "has been afflicted by the continued and unprecedented shrinkage of the market value of securities, as have all other owners and financial institutions."

Home to Cut Capital in Half

Stockholders Act June 25 on Proposal to Reduce Figure From \$24,000,000 to \$12,000,000

A meeting of stockholders of the Home of New York has been called for June 25 to act on a proposal to reduce capital from \$24,000,000 to \$12,000,000. The par value would be changed from \$10 to \$5 and \$12,000,000 would be released to surplus.

Standard of New York Figures

The Standard Fire of New York, which is under the same management as the Tokio, has issued its statement as of March 31 based on actual market values of that date. The assets are \$3,484,723, premium reserve \$1,191,087, capital \$1,000,000, net surplus \$1,105,836. J. A. Kelsey is president of the Standard.

Stockholders of the Great American have ratified the proposal to reduce capital from \$16,300,000 to \$8,150,000.

Inter-Ocean Reinsurance Company

Cedar Rapids, Iowa

Condensed Statement as of March 31, 1932

ASSETS

Government and municipal bonds.....	\$1,934,665.06
Other bonds and stocks.....	752,854.27
First mortgage loans.....	700,110.00
Home office and other real estate.....	124,343.58
Accrued interest.....	121,039.23
Due from insurance companies.....	316,176.30
Cash in banks.....	217,476.29
Other assets.....	23,685.32
Admitted assets.....	<u>\$4,190,350.05</u>

LIABILITIES

Unearned premiums.....	\$2,310,753.76
Reserve for losses.....	363,229.50
Reserve for taxes.....	51,349.00
Funds held for treaties.....	42,384.74
All other liabilities.....	28,894.19
Special reserve.....	75,000.00
	<u>\$2,871,611.19</u>
Capital.....	\$500,000.00
Surplus.....	*818,738.86
Treatyholders' surplus.....	<u>*\$1,318,738.86</u>
	<u>\$4,190,350.05</u>

*This statement is based on market values as of March 31, 1932.

ROY E. CURRAY, *President*

KARL P. BLAISE, *Secretary*

J. L. CAMPBELL, *Asst. Secy.*

Eligibility Rule Has Been Changed

(CONTINUED FROM PAGE 3)

ing merely a local agency business have not resulted anything definite to date. According to the report of the conference committee, of which H. C. Stebbins of Denver is chairman it recommended that the association continue its efforts to have such a distinction made.

Advertising in the insurance press by members was discussed as was the idea of advertising by the association as a whole.

A resolution was adopted commending the selection of Paul L. Haid as president of the Insurance Executives Association.

The annual banquet and dance was held Monday evening with J. K. Shepherd of Little Rock, retiring president, as toastmaster.

J. K. Shepherd's Recommendations

In his presidential address, J. K. Shepherd informed the association membership that the amendment to the constitution limiting membership to supervising general agents who do no local agency business would be presented. This proposal, he said, has received the enthusiastic endorsement of companies and local agents. Such a measure, he said, has been long deferred because of the fact that there are a number of "the fine old combination offices doing legitimately and actively both a local and general agency business."

The services and responsibilities of the supervising general agents, he declared, are not in the same field with that of the producing local agent. The company may perform the duties of the supervising general agent through the offices of department managers or state agents on salaries and may be the direct owners of such businesses without endangering the American agency system as it affects local agents. "But from the local agent's point of interest," he said, "the local-general combination office has many of the dangers of direct-soliciting branch office, and, as the general agency department may at any time become the property of the company, there is thereby offered the opportunity for irregular companies to thus surreptitiously engage in the local business."

On Friendly Terms

Mr. Shepherd said that the American Association of Insurance General Agents is on the most friendly terms with organizations representing other branches of the business. He said the group advertising done by a portion of the membership has been helpful in bringing favorable notice to the general agency method of operation and in frequently reminding the members to strive to live up to the specifications in which they are described.

Because of a probable decrease in membership, Mr. Shepherd recommended increasing the membership dues from \$15 to \$20 or \$25.

Mr. Shepherd paid tribute to Col. J. C. Trezevant of Dallas and Ashley Cockrill of Little Rock, members who died during the year.

Col. Dunham Gives Welcome

Commissioner Howard P. Dunham of Connecticut, in welcoming the general agents, stated that they can do much to improve the quality of agents through exercising the utmost care in selection and through eliminating unfair competition and eliminating known bad risks. Mr. Dunham said in the last five years there has been an improvement in the caliber of men who have become agents. There is a general realization that good agents mean sound underwriting and this should result in still further improvement. The companies have come to realize that it is reckless and wasteful to employ unfit agents. Illustrative of the improvement in the quality of men entering

Rules on Securities in Indiana

INDIANAPOLIS, June 8.—Changes will be made in the methods of permitting withdrawal of instruments evidencing mortgage loans to insurance companies by the Indiana insurance commissioner, according to a ruling given by James M. Ogden, Indiana attorney-general, to John C. Kidd, insurance commissioner. It has been the practice to release to companies for temporary use instruments of this kind for the purpose of making photostatic copies for use as exhibits in legal proceedings and foreclosure proceedings. It also has been the practice that in event papers are not returned within what seemed a reasonable time, to require the company making such temporary withdrawals to withdraw the mortgage loans on deposit permanently.

In his ruling, the attorney general stated that the withdrawal practice can not be said to have the law's sanction without charging the deposit as in case of an actual withdrawal. With regard to mortgage loans upon which judgment in foreclosure has been taken, the attorney-general rules they will remain eligible for deposit during the term of redemption.

Question of Amount, Not Eligibility

The sad state of the securities market has caused some questions to arise in the Indiana insurance commissioner's office as to a proper application of the law in treatment of securities on deposit, of those that may be offered for deposit, when such securities are in default as to principal, but not more than two years in default as to interest, and

are otherwise proper investments for depository purposes.

In an opinion, the Indiana attorney-general states: "The question is one really as to the amount for which the security may be accepted rather than its eligibility. The statute clearly makes such securities as are therein named eligible for deposit, and if eligible when the deposit is made, I see no reason why the subsequent maturity of the principal of the security would render it ineligible so long as it continued to be an enforceable obligation. The amount for which such a security should receive depository credit, however, is quite another thing. It would be continually subject to change and the commissioner of insurance would have a wide discretion as to when and how often the question of the value of the security could be investigated."

Principal Also in Default

"As applied to interest bearing instruments, one provision of the law provides that if the investment is eligible when made it shall continue to be available for deposit for the full amount thereof so long as the interest is not in default for more than two years." But in the case of a past due note, it is not only the interest, but the principal also which is in default. There is nothing in the section which protects the deposit for the full amount after the interest is past due and unpaid without the right to an investigation by the commissioner, if such investigation is deemed advisable by him.

"The answer to your question is that such investments are eligible for deposit in the full amount thereof, subject to the right of the commissioner, if deemed advisable by him, to inquire as to the actual fair value thereof and thereupon to make reductions as the facts justify."

the business, he said, is the examination record of the Connecticut department. In 1930, 1,972 persons took the examination for licenses and 474 failed; while last year 2,022 were examined and only 308 failed.

Changes which are taking place in the insurance world, Commissioner Dunham declared, are encouraging indications that the business is adaptable and ready to profit by any upturn in general business. There are huge resources still in the insurance business, he declared, which have not been touched and these vast funds are a great source of strength to the nation.

The past year, according to Col. Dunham, has given the companies an opportunity to build safeguards against reckless investment in the stock market and loose underwriting and the orgy of cheap rates and cut-throat competition.

Message from Beha

James A. Beha, general manager of the National Bureau of Casualty & Surety Underwriters, said in the future there must be much more planning and also control in order to avoid the recurrence of more serious periods of difficulty. He said there is no use talking about revising loss costs and appalling underwriting losses in compensation, about automobile accident and death rates mounting and the huge underwriting losses in automobile public liability unless the talk will help to formulate plans to avoid the recurrence of those difficulties or alleviate their effects.

The solution of the problems, plans for finding the way out of difficulties, as well as plans for keeping the business abreast of the times, must be formulated through the organized cooperative efforts of the interests affected, he said. The plans and solutions set up should have the support of the entire business, he declared. The business could not prosper or survive without central rating organizations, he declared. A casualty company organization such as the National bureau is as necessary to the casualty business as is capital and surplus to the insurance companies themselves, Mr. Beha said.

The costs of production are being controlled through cooperation within

the business itself, Mr. Beha pointed out. Conservation and accident prevention and claim work to combat rackets in the field is being carried out. The evils of the business have been recognized, seized upon and fought by the companies through cooperation and planning, he said.

There can be no bargain sales in insurance, Mr. Beha declared. Inadequate rates and payment of improper commissions are gambling in the worst form, he said.

Mr. Beha said there has been a change in the attitude of the public towards companies. Buyers are critical today and some of them are inquiring how cut rate companies can afford to reduce the tariff.

A great majority of companies, according to Mr. Beha, cease to make the contingency underlying the contract an occasion for gambling and have been willing to study the hazards insured against and plan accordingly.

A greater proportion of income is now being paid both by individuals and corporations for insurance protection than ever before, he said.

Col. Dunham Was Speaker

Col. H. P. Dunham, insurance commissioner of Connecticut, extended a welcome and gave a most interesting talk. The response was made by R. B. Carter of Richmond. The report of the executive committee by L. C. Quin of Atlanta embodied the resolution providing for the change in the eligibility rules. The casualty company officials of Hartford were invited to be present when General Manager Beha spoke. The general agency men of Wakefield, Morely & Co. of this city, were the official hosts and the members of the firm were very active in looking after the visitors.

New Officers Are Prominent

Langdon C. Quin of Hurt & Quin of Atlanta, Ga., who was elected president, is one of the most active men in the organization and is an acknowledged leader. Last year he served as chairman of the executive committee. The new executive committee has not yet been appointed. W. J. Miller of To-

Foreign Companies More Aggressive

(CONTINUED FROM PAGE 3)

which had not been offered to them before because American companies were favored. The increase in favor is not confined to the largest foreign companies, for the smaller and medium sized ones report that they are making more headway. Many large assureds are putting them on their list again.

The business is not going to the foreign companies unsolicited. They are taking advantage of the situation and are becoming more aggressive. They are citing the fact that they have not changed their financial policy and they are telling agents and assureds of the resources at the head offices as well as of their American position.

The foreign casualty companies and the casualty companies identified with foreign fire companies are also pressing what they contend is their advantage. Inasmuch as there is greater unrest in the casualty business than the fire business, they seem to be progressing competitively.

peka, the first vice-president, is a member of the Miller-Studebaker agency. William Dean, who becomes second vice-president, is a member of the general agency of Selbach & Dean of San Francisco. H. A. Steckler of New Orleans, one of the old standbys, was re-elected secretary and treasurer.

President Milligan's Talk

There were some notable talks given at the meeting. President Edward Milligan of the Phoenix of Hartford group, gave one of the outstanding addresses of the year. He is regarded always as a man of exceptional ability, having had a wide experience in the business, both with his own organization and in association work, having had a prominent part in more recent progressive movements and what he had to say was listened to with rapt attention. He dealt with a number of subjects that are of vital importance to the business.

Another speaker who was well received was Insurance Editor W. S. Crawford of the New York "Journal of Commerce." At the annual meeting in Richmond, Va., two years ago Mr. Crawford prepared a paper but was unable to be present. It was read, however, and the general agency members wanted him face to face. Mr. Crawford is a veteran in the cause. His observations as an onlooker are intensely interesting.

James A. Beha Spoke

General Manager James A. Beha of the National Bureau of Casualty & Surety Underwriters, big, raw boned, having always a sparkle of humor in his eyes was one of the chief speakers. The general agents' association is endeavoring to clarify the term "general agent" as applied to casualty and surety men. It has not gotten very far but hopes to eliminate purely local general agents from simon pure general agents as it has in the fire field. Mr. Beha is well known to the members and received a cordial welcome.

The address of J. K. Shepherd of Little Rock, the president, who retired from office at this time, gave a review of the work of the year and brought up some of the problems of today. Mr. Shepherd served as secretary before being elected president and is one of the charter members of the organization. He attended a number of meetings during the year and has spoken at many insurance gatherings.

Missouri Meeting at Columbia

The annual meeting of the Missouri Fire Prevention Association, which had been announced as June 9 at Springfield, will be held on the same date at Columbia. A banquet will be given in the evening.

Milligan Speaks Plainly Before the General Agents

(CONTINUED FROM PAGE 3)

it justifies itself in the future as it has done heretofore.

"Premiums are declining," he observed, "values are receding, new sources of revenue have dried up, the overhead is burdensome, collections are difficult, competitive conditions are fierce and the agent's investment values have taken a great tumble, his foolhardy purchase of indifferent insurance stocks, for instance, to the vanishing point. These trying experiences may explain why the agent has not as yet shown evidence of being seriously concerned about the real financial condition of the companies he represents."

Mr. Milligan criticized the delivery of policies in companies that are "manifestly weak." "There are plenty of companies," he said, "whose potential resources are good, even if their securities have shrunk seriously. There are others who are going to find it increasingly difficult to weather the storm."

There has been much talk about the delinquencies of companies, he said. "Why don't the agents," he asked, "make common cause against the company charged with these derelictions? The truth is that no one is sufficiently interested in the goring of the other fellow's ox."

Cites Special Appeal of Cheap Insurance Today

Cheap insurance, he pointed out, has a special appeal today. The field for reciprocals, which Mr. Milligan termed "predatory concerns," would not be attractive if it were not for the cooperative work of the stock companies in rate making, in maintenance of good house-keeping conditions, in limiting the danger of exposing menaces, in seeing that water supplies and fire departments are well maintained and in promoting sound construction. Mutuals likewise are partial beneficiaries, he said. Although in the old days mutuals may have been a necessity, the need for them has long since disappeared, according to Mr. Milligan. The "bugaboo" that mutuals keep stock insurance prices down has long since been discredited, he said. Mutuals, he declared, are maintained largely to provide good jobs for a few men.

Mr. Milligan mentioned the perplexing problems confronting insurance commissioners. "It is probable," he said, "that all of the departments wish to temper mercy with justice, but their first duty is to the public and it is not always easy to determine how far they should go in permitting manifestly weak companies to continue to operate."

He said the National Convention of Insurance Commissioners could well give attention to curtailment of requirements for statistics. "The growing tendency to filch taxes from the companies, regardless of precedent and the equities, is bothersome," he said.

Criticizes Advertising Policies of Newspapers

Mr. Milligan said that insurance newspapers on the whole are enterprising and well edited and the more responsible ones make an earnest endeavor to maintain a high standard in the news columns, but he charged that all money looks alike to them. "These periodicals," he said, "are not responsible for the grandiloquent boasts of service that appear in their sheets, nor for the peck-sniffan flavor of some of their advertisements, but it would help the business and the papers would help themselves if there were maintained a higher quality in their advertisers."

Mr. Milligan said that in five outstanding states, because of the antagonistic attitude of the authorities the companies have not been able for years to make income and outgo balance. If the companies, he said, would refuse to

sell their goods at less than cost the rate question would soon settle itself. Competition is too keen to enable an organized group to maintain rate levels that are not warranted by the burning ratio. When authorities begin to exercise rating jurisdiction, he said, costs go up, ceaseless friction develops and the public is left to pay the piper.

General agencies, he said, afford companies an opportunity to develop fields which, because of the expense in establishing direct-reporting plants, would otherwise be closed to them. That is a proper procedure, but he said there are too many companies, too many agents and too many middlemen in the field.

There is room for well conducted general agencies, he declared.

W. B. Dudley Is Dead

W. B. Dudley, of the Foster-Barker general agency of Omaha died some days ago.

Davis Killed in Auto Accident

NASHVILLE, TENN., June 8.—Hunter Davis, age 72, veteran fire adjuster of Nashville was instantly killed this week in an automobile accident on the Murfreesboro, Manchester highway, about four miles south of Murfreesboro.

Mr. Davis, his sister, Mrs. R. D. Jenkins and a nephew, Marshall Davis, all of Nashville, were returning from Atlanta, where they had been on a visit to Mr. Davis' brother.

Mr. Davis was senior member of the firm of Davis & Hutchison, and had been adjusting fires in Nashville for over 30 years.

Commissioner King Recovering

Insurance Commissioner Sam B. King of South Carolina, who was recently operated on at the Columbia, S. C., hospital, has now sufficiently recovered to go to his home in that city to recuperate.



PROTECTION AGAINST DEVOURING FLAMES SINCE 1848

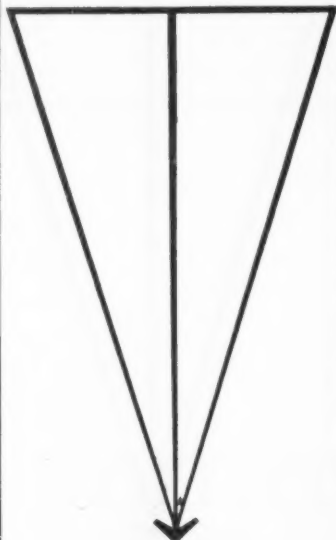
Since 1848 the Ohio Farmers Insurance Company has furnished reliable protection against fire. Eighty years ago, Ohio Farmers protection was for farmers alone. Today, the city dweller, the factory owner, the store proprietor, get the same high quality of insurance protection that has stamped Ohio Farmers policies as "Standard" since 1848.

One reason for the enviable reputation of the Ohio Farmers Insurance Company is the close and cordial contact between agents and officers of the Company. This contact develops mutual confidence and brings about cooperation to an unusual degree. Through confidence and cooperation, added strength is given to this company that has provided Protection Since 1848.

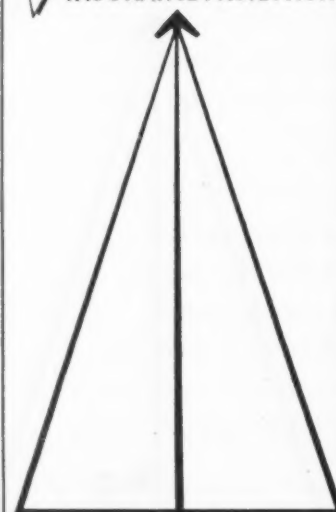


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A GOOD AGENCY COMPANY



SEAL
OF
INSURANCE PROTECTION



CONSERVATIVE
CONSCIENTIOUS
COOPERATIVE

CHANGES IN THE FIELD

New Hampshire Shifts Shippe

Missouri State Agent Fills Vacancy
Caused by Wallace's Death—Ferry
Succeeds Shippe

The New Hampshire has perfected a rearrangement of its Illinois and Missouri fields in view of the recent death of Illinois State Agent A. C. Wallace.

W. G. Shippe of Kansas City, who has been Missouri state agent for the New Hampshire since 1918, has been transferred to Chicago, where he will have jurisdiction over the Illinois field outside of Cook county and will also retain jurisdiction over St. Louis county. Mr. Shippe started in the business with the farm department of the old Phenix of Brooklyn in Illinois. He subsequently traveled Oklahoma and then Missouri for the Fidelity-Phenix before joining the New Hampshire.

H. C. Ferry of Nevada, Mo., who has been Mr. Shippe's assistant, has been transferred to Kansas City and will be state agent for Missouri except for St. Louis county. Mr. Ferry has been connected with the New Hampshire since 1919. He has been operating as well the old established Ferry Brothers local agency in Nevada. That agency will be continued by a brother and sister of Mr. Ferry.

Mr. Ferry's headquarters will be in the Sharp building in Kansas City.

E. F. Yerrington, J. F. Nowlin

E. F. Yerrington, special agent of farm department the National of Hartford in Texas, has been transferred to Oklahoma. J. F. Nowlin will now supervise south Texas for the National.

Faber With National Union

Well Known Former Fire Association
State Agent in Illinois Joins
Pittsburgh Company

Irvin C. Faber of Chicago, until recently assistant manager of the western department of the Constitution Indemnity, has joined forces with the National Union Fire of Pittsburgh as state agent for Illinois with headquarters in the Insurance Exchange, Chicago.

Mr. Faber is a son of Samuel Faber, former Indiana state agent of the Fire Association for many years, a nephew of the late E. C. Irvin, president of the Fire Association, and has spent his entire insurance career with the Fire Association, with the exception of a short term of service with the Constitution Indemnity, which was a running mate of the Fire Association until it was recently sold to New York interests. Mr. Faber was formerly Illinois state agent of the Fire Association group.

Mr. Faber succeeds J. W. Kwech, who is retiring from the National Union service.

Herbert C. Runyan

Herbert C. Runyan of Fargo, formerly North Dakota state agent for the Commercial Union, has left for Syracuse, N. Y., where he will join the agency of the Equitable Life. He was honor guest at a farewell dinner at which field men of a number of companies in Fargo were present.

Mr. Runyan has held a number of offices in the Blue Goose and the North Dakota Fire Prevention Association.

AS SEEN FROM CHICAGO

RAPPAPORT HEADS CLUB

E. S. Rappaport, assistant manager Pacific Mutual Life's Chicago branch, unanimously was elected president of the Insurance Club of Chicago at the annual meeting. He succeeds J. W. Bolton, Ocean Accident, who has held the post two years. Frank Dapper, Cook county manager Sun office, was elected fire vice-president; J. S. Chiedo, underwriter Iowa Mutual Liability, casualty vice-president; Jule Stewart, agency superintendent New Century Casualty, secretary, and Guy Shearer of the C. W. Olson & Co. agency, treasurer. The post of life vice-president was left open to be filled later, as the club lacks a likely candidate in this field. Directors elected were J. F. Stafford, western manager Sun office; Benjamin Richards, manager Underwriters Service Association, and Mr. Bolton.

Mr. Bolton was presented a handsome wrist watch by members. He reported that some heavy obligations have been wiped out and the club now is in fair financial condition. Mr. Rappaport appealed for help in building up the membership and outlined plans for activities this year, including golf tournaments, one probably to be held at Nippersink Lodge. Mr. Rappaport has been entertainment committee chairman for the last year. The club has had financial difficulties for many months, but now gives promise of becoming again an important factor in Chicago insurance.

O'BRIENS TO TRAVEL MORE

With A. B. Roome joining the Chicago Fire & Marine department of the Lincoln Fire as managing underwriter, Vice-President Frederick O'Brien and Harold O'Brien will be free to spend more time in the field. Both of the

O'Briens have extensive contacts among agents and desire to be relieved of as many inside responsibilities as possible so as to devote themselves to outside work. Mr. Roome, who has been connected with Barber & Baldwin, and is head of the Aero Fire, which is being liquidated, will take up his new duties June 15.

BLUE GOOSE ANNUAL MEETING

The annual meeting of the Illinois Blue Goose will be held June 20 in the Chicago Board auditorium, it was decided at the monthly luncheon meeting of the pond Monday.

FIELD CLUB OUTING

The annual outing of the Cook County Field Club will be held June 17 at the Antlers country club, two miles south of Wheaton. Reservations must be made by June 10.

President Layton of the National Fire of Hartford is visiting the western department in Chicago this week.

Miscellaneous Notes

The board of directors of the National Fire Protection Association will hold its mid-summer meeting June 13.

Fred D. Hess, assistant manager of the western department of the American, is in Iowa this week with State Agent R. V. McCormick.

W. T. Funkhouser and F. B. Smith of Funkhouser-Smith, general agents at Springfield, Ill., are in New York visiting the home offices this week.

Edward Randall, general auditor of the Fireman's Fund group, is on a month's business trip east and will visit departmental offices in New York, Boston and Chicago.

The western department of the Security of Connecticut at Rockford, Ill., is now operating on a five-day week basis. A skeleton office force is retained Saturday mornings for Rockford city business only.



VIEWED FROM NEW YORK

By GEORGE A. WATSON

AVIATION CONFERENCE CALLED

Superintendent Van Schaick has called a meeting of companies writing aviation insurance June 10 to consider a uniform schedule. In his call for the meeting Mr. Van Schaick stated that the application of the various rates within the range of the sliding scale gives rise to the belief that unfair discrimination exists and that the elements of hazard are subordinated to the principles of competition.

EXAMINERS' ELECTION

Officers of the Fire Insurance Examiners' Association elected at the annual gathering in New York City are: President, G. Tisdale, Commercial Union; vice-president, A. I. Terhune, American Foreign Insurance Association; secretary, C. H. Nordsich, National Liberty; recording secretary, J. A. Neilan, Norwich Union; treasurer, P. Ammer, York-shire.

AGENCY HEADQUARTERS MOVES

Although still located at 80 Maiden Lane, New York City, the offices of the National Association of Insurance Agents have been removed from the 12th floor to the 14th floor of the building, to more commodious and conveniently arranged quarters.

E. U. A. IN SESSION

The executive committee of the Eastern Underwriters Association is meeting Thursday morning of this week and the association is meeting at noon.

EFFECT OF BOND POOL

Whether the substantial advance in many bonds and stocks following news of the formation of the \$100,000,000 American Securities Investing Corporation by a group of bankers, headed by J. P. Morgan & Co., together with the decision of congress to balance the budget, will influence the action of the valuations committee of the National Convention of Insurance Commissioners at the Chicago gathering June 22-24, remains to be seen. Should the upturn in market quotations which began so

auspiciously last Friday continue in even modest degree, the state officials will unquestionably take a hopeful view of the situation and be disposed to deal more liberally with the primary issue before them, than would be the case had the trend of quoted values continued as it had from some weeks previously.

CENTER WORK AT ALBANY

Henceforward the major activities of the brokers' division of the New York insurance department will be conducted at Albany, instead of at the local office in New York City, which latter has been the practice for years. It was felt that as all licenses are issued at the Albany headquarters, and under the new agency license law which goes into effect July 1, carrying out its provisions will be handled there, it would be advisable to have all allied work done at the same center. J. F. Lawler, chief clerk in charge of the brokers branch, has already removed to Albany. Recognizing the heavy brokers interest in

New York City, however, the department has retained at its New York City office a corps sufficient to answer inquiries and to carry on all work regarding the standing of brokers, save such as must be referred to Albany headquarters.

LATIN-AMERICAN REGULATIONS

The insurance section of the division of commercial law of the United States Department of Commerce at Washington is now getting out an analysis of the qualification and operation of foreign insurance companies under the laws of the Latin-American countries. A series of charts containing synopses of the requirements by country are so arranged as to facilitate reference and comparison.

AIRPLANE MODEL USED

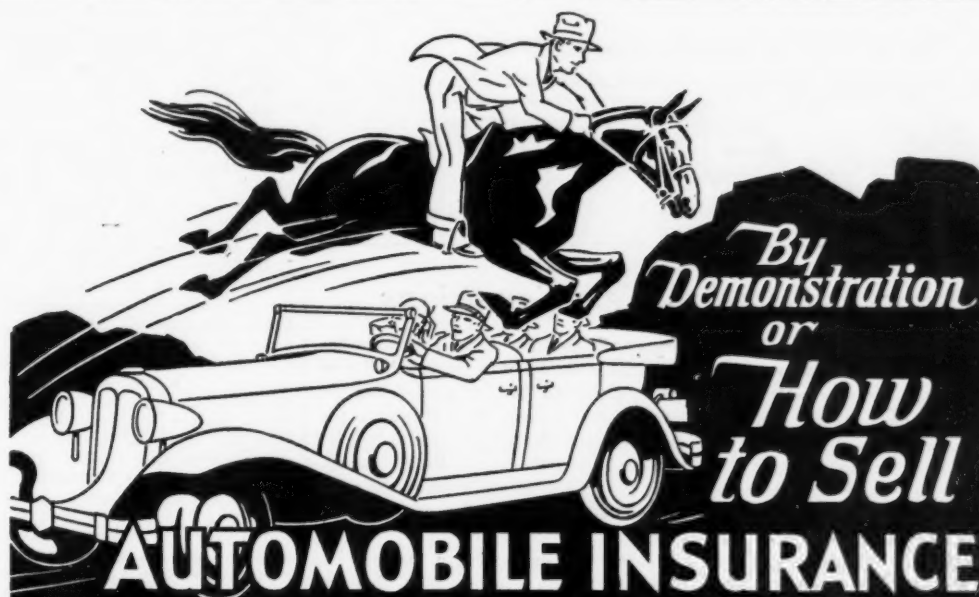
Like the ship in full sail, which for centuries has been the symbol of the ocean marine underwriter, a large bronze passenger airplane model now marks the new offices of Barber & Baldwin, aviation underwriters, on the ground floor of 156 William street, New York. The sign is a scale model of a Boeing 80-A, an 18-passenger, tri-motored ship, one of the largest types in

current use. Barber & Baldwin recently moved its offices from the midtown section to the insurance district downtown and the present ground floor location makes a sign of this type very practical as well as ornamental.

Receiver for Reciprocal

OKLAHOMA CITY, June 8.—A receiver has been appointed here for the Western Reciprocal Underwriters of Kansas City, Mo., on a petition filed by a group of 68 subscribers. The petition alleged misappropriation of funds accumulated as reserve and surplus in which the subscribers should share, provided by the terms of their policies. It is held that more than \$200,000 of the reciprocal's funds have been turned over to the Western Mutual of Kansas City. It is charged that two different letters have been sent out to subscribers, one saying the name of the reciprocal was being changed to the Western Mutual Insurance Company and another saying the two organizations were merging. The reciprocal writes fire and tornado insurance.

The New York department will shortly begin the customary triennial examination of the National Automobile Underwriters Association.



New Old Colony Figures

After marking down all securities to actual market value as of June 1, 1932, the Old Colony had \$1,000,000 capital, approximately \$2,750,000 net surplus as of that date, President W. R. Hedge states. Premium income is at the rate of \$1,600,000. These figures, he says, make the Old Colony "one of the very strongest companies in the country in the proportion its capital and surplus bears to total amount of premiums."

Haid Pittsburgh Speaker

President P. L. Haid, of the Insurance Executives Association will address members of the Allegheny County Agents Association and the Insurance Agents Association of Pittsburgh at a joint dinner at the Fort Pitt hotel, June 16. As Mr. Haid began his insurance career in Pittsburgh, he is widely known to many special and local agents throughout western Pennsylvania.

Give Portrait to McConnell

Executives and staffs of the Royal-Liverpool groups, both at home and abroad, presented Robert McConnell, who retired as general manager of the associated companies last January, an oil portrait of himself, the artist being George Harcourt, R. A. At the same time a diamond and emerald pendant was presented Mrs. McConnell.

HOW are you taking the jumps in the Automobile Insurance steeplechase? How are you clearing the bars of sales resistance? Are the hazards dismounting you early in the race?—"Springfield Group" Sales broadsides on many coverages are helping many agents win hard races for business. A new one on Automobile Insurance will soon be distributed. If you are interested in seeing a copy of it, or of one of the many published on various Inland Marine and Specialty Line Coverages, jump to your opportunity and write us today.

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SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY

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SPRINGFIELD, MASSACHUSETTS

GEORGE G. BULKLEY, President

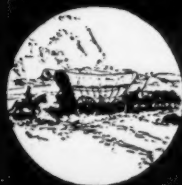
Harding & Linsinger, Mgrs., Chicago. John C. Durkin, Mgr., San Francisco. W. E. Findley, Mgr., Montreal

CONSTITUTION DEPARTMENT, Springfield, Massachusetts

SENTINEL FIRE INSURANCE COMPANY, Springfield, Massachusetts

MICHIGAN FIRE & MARINE INSURANCE COMPANY, Detroit, Michigan

NEW ENGLAND FIRE INSURANCE COMPANY, Pittsfield, Massachusetts



Specify Stock Fire Insurance

THE NATIONAL UNDERWRITER

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Getting Adjusted to New Conditions

UNDOUBTEDLY field men and local agents are receiving an ice water shower bath shock, so to speak, that company executives and home office people sustained some weeks ago. We refer to the decision of directors to reduce capital stock, in some cases the decrease being very material. Executives and directors, department heads, etc., had become accustomed to seeing their companies in a certain frame. The amount of capital and financial ballast created real reverence and respect.

We have gotten into the habit of measuring strength and capacity by amount of capital stock. When, therefore, securities took such a frightful leap downward and there was nothing else to do but to decrease capital and add it to surplus in order to take up the slack, the operation undoubtedly was a most painful one at the head office. Pride was seriously wounded. Executives had been associated with companies having a certain amount of capital and a certain amount of surplus. Their entire official activities were geared to these figures. There is a certain amount of stateliness and dignity associated with size. There is a caste in the insurance ranks as well as in some others.

Now the mighty have fallen in a way. The men high up in the business have had to take punishment and it has been serious. But time brings healing in its wings. As the days and months have passed by, these executives have acclimated themselves to

new conditions, new capital, new surplus. Even since capital was decreased, the security shrinkage has increased. The picture is less pleasing than it was a few months ago. Nevertheless the worst has happened and men entrusted with management are philosophically viewing the situation and adapting themselves to a new outlook.

When companies began announcing, therefore, the decrease in capital that was the first intimation that agents and perhaps many field men had that any such action was contemplated or even needed. Hence out on the firing line the people are passing through the same experience that those at the head office encountered some time ago. That is the reason that the reaction at present from the agents is so strong. They have been advertising and talking about companies having a certain amount of capital and surplus, boasting about it and putting themselves on a level with institutions of great size. They too have to take a certain amount of punishment. It is difficult to get readjusted to lower levels.

Regardless of the punishment that insurance companies have taken, they certainly have a much more roseate record than other lines of business. They have been subjected to tremendous destructive influences and yet their foundations must be exceedingly strong to withstand as they have this terrific onslaught.

Should Not Develop Indifference

MANY men weaken their own business and personal structure by being indifferent. They are not responsive to the voices of the hour. They are apathetic. One cannot be so isolated that he is

adamant to the various relationships he sustains and what others do and say. He should tune himself to the chord of the hour and concern himself with the thoughts of his fellow men.

PERSONAL SIDE OF BUSINESS

Irving Williams, editor of "Rough Notes," is chairman of the court of honor for the Indianapolis Boy Scouts organization. He will make a report on his activities when the new scout field house at the Indianapolis scout reservation camp is dedicated June 19. Mr. Williams has been active in Boy Scout and other activities among boys for many years.

Walter B. Dudley, 49, Omaha insurance man, who has been with the Foster-Barker agency of Omaha 15 years, died recently in an Omaha hospital after a short illness. He was a member of the American air forces overseas during the war and prominent in Masonic work.

Harry B. Doten, who resigned a few months ago as state agent for the Importers & Exporters with headquarters at Chicago, is now the owner of the Hotel Monterey at Janesville, Wis. He purchased a 15 year lease and the furnishings of the hotel and took possession June 1. Before his connection with the Importers & Exporters, Mr. Doten was western manager of the New York Casualty and before that traveled for the City of New York.

Mr. Doten was at one time in the hotel business with his father and brother for a number of years operating in Illinois, Missouri and Nebraska.

Mr. Doten was introduced in Janesville by Frank Lavin, president of the Illinois Insurance Brokers Association.

To evidence the esteem in which J. M. Thomas, president of the National Union Fire of Pittsburgh, is held by the field men, a special drive for desirable business is being made during the present month, which will mark the first anniversary of Mr. Thomas' connection with the organization. Since assuming the direction of affairs President Thomas has labored incessantly to give the National Union the place in the underwriting world to which its age entitles it. Throughout his extended experience as a fire insurance man Mr. Thomas has always stood for sound practices and been an outstanding figure in organized movements. From returns thus far it is evident local representatives of the company everywhere appreciate the attitude of its president and will evidence their approval in substantial form.

J. A. Campbell, vice-president of the Home, after successfully undergoing an operation at a New York City hospital, is convalescing and will probably be again at his desk in about a month's time. Mr. Campbell is particularly well known to fire underwriters of the west, having charge of that field for his company. He is senior vice-president of the Western Underwriters Association.

A lingering tragedy which has cast its pall over the family of Stuart Morgan, Michigan state agent for the Agricultural and President Michigan Fire Underwriters Association, reached its culmination Monday in the death of his 19-year-old son, Stuart Morgan, Jr. The youth, a student at Michigan State College, suffered a fracture of the spinal column, resulting in an almost total paralysis, when he fell from the window of his room last November.

At the Blue Goose luncheon at Columbus, Monday noon, which was presided over by J. H. Gray and Bernard Flood, a gavel was used, which is fast making history. The gavel, the property of W. V. Miller, former secretary of the Columbus Shrine Club, has been used by the president of the Ohio senate, the speaker of the Ohio house, Speaker Garner of the House of Rep-

resentatives, and many other bodies and organizations. It will be sent to Chicago for the opening of the Republican national convention and later will render a similar service at the Democratic national convention.

J. E. Davis, president National Guarantee & Finance Co., spoke at Monday's meeting.

J. C. Griffiths, manager of the Commercial Union fleet for the Pacific Coast at San Francisco, sailed this week for London. He will visit the home office. Following his London trip he will go on a tour through the continent and expects to return to San Francisco in August.

J. Gano Wright died suddenly in Cincinnati last Saturday. Mr. Wright served at one time in the Ohio insurance department and is known to many insurance men over the state. Mr. Wright was 76 years old at the time of his death.

Mrs. Florence T. Dulaney, wife of W. R. Dulaney, senior member of the Dulaney, Johnston, Yankee & Priest Agency of Wichita, died at her home in Wichita last week at the age of 74 following a prolonged illness. Mrs. Dulaney had been prominent in the social and church life of Wichita, having moved to there in 1886, five years after her marriage to Mr. Dulaney.

Shirley Carter, widely known Winchester, Va., agent, was honored at a dinner attended by home office and field representatives of companies which he represents upon the occasion of the 50th anniversary of the founding of the Hansbrough & Carter agency of Winchester. H. S. Nulton, who was an apprentice under Mr. Carter many years ago, was toastmaster and presented a silver center piece.

At an exhibit of advertising and sales photography in Chicago last week Frank S. Ennis, America Fore advertising manager, added to his laurels by winning first and third prizes on photographs used in sales literature. The first prize was the "Bon Voyage!" picture and third one was that of a reckless driver. Both appeared recently in the America Fore advertising in THE NATIONAL UNDERWRITER.

Lakin Meade, secretary-treasurer of the Meade Investment Co., Topeka, entered his horse "Lightnin'" in the annual Cavalry School Horse Show and Race Meeting at Fort Riley, Kan., and was awarded first prize for saddle horses three gaited over 15.2. This entitled the horse to show in the championship saddle horse three-gaited class, in which it won the reserve ribbon and trophy. The horse was trained and ridden by Mrs. Max A. Elser of Fort Riley.

H. R. Burke, Pacific Coast manager of the Royal, has returned from a trip to Hawaii.

Miss Elizabeth Leigh, daughter of J. Gilbert Leigh, vice-president of the L. B. Leigh & Co. general agency, Little Rock, Ark., is a member of the senior class to be graduated June 13 at Vassar College, Poughkeepsie, N. Y. Mr. and Mrs. Leigh will go to Poughkeepsie for the commencement.

Everett Fowler, of the Kingston, N. Y. agency of Decker & Fowler, died in the office of the Globe & Rutgers in New York City, Tuesday. He was in his 72nd year, and entered the real estate and insurance business in 1916, representing in addition to the Globe & Rutgers a number of important companies.



"Is It Safe to Leave Children Alone in the House?"

MANY a parent asks that question, often finding it inconvenient to remain at home or difficult to find someone to act as guardian.

But countless homes have been totally destroyed by fire while children were left alone in them, and the parents have returned to find practically all their possessions reduced to ashes, while in a large proportion of cases the children themselves have been seriously if not fatally burned.

Records kept by the National Fire Protection Association show that the deaths by fire of 18 children during a recent period of six months were all primarily due to the children being left alone in their homes.

The mother who refuses to leave her small children alone in the house for even a short

time may seem overconscientious to her friends and neighbors, but she is following the safer procedure. The preservation of life and property calls for observance of the rules of fire prevention.

North America Agents invite consultation on all phases of fire hazards. They are listed in Telephone Classified Directories under the heading . . . Insurance Company of North America.



The Old American Fire and Marine Insurance Company . . . Founded 1792

Assets, \$74,999,662. Loans paid out, \$382,119,813.



"The White Fireman in the Home" is a little book that the Insurance Company of North America will be glad to send you, gratis. By observing the precautions it gives, you may prevent loss of life and destruction of your property. Address: North America, 1600 Arch St., Philadelphia.

Insurance Company of North America

PHILADELPHIA

and its affiliated companies write practically every form of insurance except life.

THE greatest amount of property is in the form of dwellings. And almost every dwelling fire threatens the life of one or more members of a family.

That is why North America advertising stresses the danger to life inherent in the fire menace.

*See the North America advertisement in
The Saturday Evening Post, June 18;
The Literary Digest, June 11.*

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Sees West Virginia Menace

W. W. Payne Called Attention to the Socialistic Tendency in Farm Bureaus

W. W. Payne of the W. W. Payne Company of Huntington, W. Va., president West Virginia Flour & Feed Manufacturers Association, gave a talk before the annual meeting of the West Virginia Association of Insurance Agents at Elkins this week. He said that the flour and feed dealers in West Virginia were alarmed for some 20 years, during that time they fought individually. In the last few years they organized and their united effort is showing results.

Mr. Payne said that when the West Virginia Farm Bureau Service Company was first organized, it was for the purpose of selling food stuffs. The dealers paid little attention to it, thinking that in time it would wane. However, it has grown stronger and is selling all sorts of products including fertilizer, seeds, cement, lumber, paints, machinery, spray material and insurance. The West Virginia Farm Bureau Service Company insinuates that the outside feed manufacturers are not reliable and that the purchasers are not protected by the law. Mr. Payne explains that the service company is fostered by the extension department of the state university and the agricultural department of the state. It pays no taxes. Its president is the agricultural commissioner. Its salesmen are county agents and the extension department executives. It is therefore competing with private dealers who have to pay taxes and maintain service organizations.

Called on State Officials

Mr. Payne said that a committee of his organization in making an investigation found that the Farm Bureau Service Company did sell to members outside their organization for a profit.

The committee of Mr. Payne's association called upon Governor Conley and then upon the commissioner of agriculture to discuss the activities of the Farm Service Bureau but received no encouragement. They visited President Turner of the University of West Virginia. Dr. Turner called in the director of the extension department and the dean of the agricultural department but they were completely absorbed in their theory, which Mr. Payne declares runs along the line of socialistic government so that they could not visualize the dealers' side of the question. Dr. Turner later made a talk in which he emphasized the value of making West Virginia profitable for people of the state and emphasized the right of private ownership, declaring that the state owes protection to the small business man.

Wants Joint Committee Named

The West Virginia Lumber & Supply Dealers Association is in favor of legislating the county agents out of office. Mr. Payne declared that this organization felt that these agents were merchandising instead of educating. He suggested that the West Virginia Lumber & Supply Dealers Association, the West Virginia Flour & Feed Manufacturers Association, the fertilizer dealers, the West Virginia Hardware Dealers Association, the West Virginia Association of Insurance Agents and others band together, appointing a joint committee to investigate the situation and if it is found necessary to sponsor legislation against the county agents and the extension and agricultural departments.

Reid Heads Ohio Association

Blue Goose Pond of the Buckeye State Held Annual Meeting This Week

COLUMBUS, O., June 8.—The Ohio Fire Underwriters Association at its meeting this week elected Earl A. Reid, London, England, president, and E. W. Power, Phoenix of London, vice president. H. R. Underwood was re-elected secretary. There will be no more meetings until September.

The Ohio Blue Goose, at its annual meeting, elected these officers:

Most loyal gander, Martin A. Vold, Jr., Springfield F. & M.; Supervisor, H. U. Underwood, Providence Washington; Custodian, W. J. Gilsdorf, North America; Guardian, W. E. Gable, Underwriters Adjusting; Keeper of the Golden Goose Egg, Walter Plangman, American of Newark; Welder, B. F. Flood, Ohio Inspection Bureau. Mr. Plangman is the new officer elected, the others having been advanced.

Newly elected goslings are: J. R. Horn, Travelers Fire; H. E. Adamson, Jr., Western Adjustment, Cincinnati; H. G. Kates, Glens Falls.

Fred W. Ransom, past most loyal grand gander, and R. W. Hukill, deputy most loyal grand gander, attended.

J. H. Burlingame, Jr., and Mr. Hukill were elected delegates to the meeting of the grand nest with B. F. Flood and A. C. Guy as alternates.

Files New Amended Charter

The Cincinnati Equitable has filed with the secretary of state of Ohio an amended charter to meet the changes recommended by the attorney general. A. Clifford Shinkle is president and A. C. Hawes secretary.

Headquarters Are Changed

W. W. Waters, special agent for the Ohio Farmers, has moved his headquarters from LeRoy, O. to Zanesville.

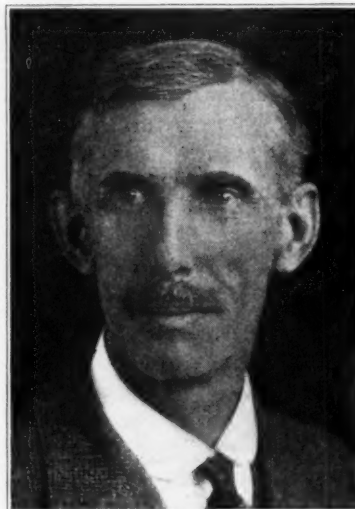
CENTRAL WESTERN STATES

Dungan Heads Field Men

Thomas Stresses Need for Cooperation at Indiana Fire Underwriters Association's Annual Meeting

At the annual meeting Monday of the Indiana Fire Underwriters Association held at the Highland Golf Club near Indianapolis the following officers were elected: President, Thomas R. Dungan, Fidelity-Phenix; vice-president, Gus J. Daseke, Phoenix of Hartford; secretary-treasurer, O. E. Green, Providence-Washington. John W. Noble presided and was presented with a handsome gold wrist watch as retiring president, C. O. Bray making the presentation. Charles F. Thomas, secretary and manager of the Western Underwriters Association, spoke on the importance of full cooperation under present business conditions. He emphasized the importance of maintaining a strong field organization for the purpose of harmony and intelligent cooperation. Clinton D. Lasher, manager of the Home at Chicago, was present and was the center of a friendly demonstration as many of his Indiana friends had not had opportunity to congratulate him on

Gives Report



C. W. THORNBURG, Huntington, W. Va.

C. W. (Uncle Charlie) Thornburg of Huntington, W. Va., veteran in the West Virginia Association of Insurance Agents, its former president and the father of a former president, C. Irving Thornburg, as usual was active at the annual meeting in Elkins, W. Va. He gave the report of the committee that had before it automobile rates.

O., so that he will be more conveniently located to cover his territory in the southeastern part of the state. Special Agent J. E. Amadon has moved from LeRoy to Tiffin, O., because of a realignment of his territory.

Ohio Notes

The agency of the late F. D. Dakin at Waynesville, Ohio, has been sold by the executor to Frank U. Le May.

The Rabe Insurance Company, Dayton, O., has been incorporated by G. P. Rabe, D. R. Thomas and W. F. Hyers.

Aaron W. Jones, Ohio state agent New Hampshire Fire, is elated over the arrival of his second grandson.

his promotion to the Chicago office from the Indiana field in which he had traveled for nearly 30 years.

Morris C. Jones, Fireman's Fund; Thomas W. Sprickman, Philadelphia Fire & Marine, and John W. Noble were elected members of the executive committee. Leonard E. Tanner, Agricultural, was elected president of the Indiana Field Men's Relief Association, with Homer G. Meek, vice-president, and O. E. Green, secretary-treasurer. The financial condition of the association was reported to be good.

At the annual meeting of the Indiana Blue Goose the following were elected: Most loyal gander, P. J. Mangan, Royal; supervisor, Joe N. Cline, Underwriters Adjusting; custodian, T. W. Sprickman, Philadelphia Fire & Marine; guardian, Thomas R. Dungan, Fidelity-Phenix; keeper, Don D. Fitzgerald, American Central; welder, Irving Williams, Rough Notes.

Won Golf Trophy

Ganders Mangan and Cline were elected delegates to the Grand Nest.

James R. Stevenson, Yorkshire, won the Underwriters golf trophy, a loving cup, for the third time which entitled him to keep it. His net score was 74. He also won the Blue Goose trophy, a

cup. Paul Carson and Forrest Dukes also won golf prizes.

A farewell dinner to Mr. Lasher was given Monday evening under the auspices of the Indiana Blue Goose. Over 120 were present, including a number of out-of-town agents of the Home. Alex R. Monroe, retired president of the Newark Fire, was toastmaster and in his opening remarks paid high tribute to Mr. Lasher as to the esteem in which he is held by all connected with the fire insurance business in Indiana. John W. Noble spoke of the service rendered by Mr. Lasher to the business and of his ability and fine personal qualities and then, on behalf of those present, presented him with a fine set of matched golf clubs.

Says Practice Is a Rebate

Indiana Attorney General Rules on Case Where Agent Pays Part of Appraisal Cost

Attorney-General Ogden of Indiana holds that when an agent agrees to pay a part of the cost of an appraisal to determine actual value for insurance purposes and to secure a rate reduction through the use of the coinsurance clause he is guilty of making a rebate as an inducement to insurance. He holds that sections 9121 and 9224 of the Burns annotated Indiana statutes of 1926 would be violated. The attorney-general says that he sees no difference in this practice as far as principle is concerned from the case where the agent remits directly to the assured a part of the premium. Under this arrangement the agent assumed 40 percent of the cost of appraisal in order to allow him to take advantage of the 90 percent coinsurance clause, on condition that the assured place all the insurance with that agent.

Indianapolis Report Issued

Most Factors Favorable in The City, According to Statement by the National Board

The National Board reports that the number of fires in Indianapolis during the past five years has been moderate and the loss per fire and loss per capita both low. The gross fire loss during that period amounted to \$4,902,632, the average loss per fire being \$854 and the average annual loss per capita \$2.73.

The supply works are declared to be adequate and reliable with sufficient quantities for engine supply available in the congested value district. The local distribution system is somewhat weak in some residential sections. The fire department is thoroughly efficient but the fire alarm system is old, overloaded and inadequate.

In the congested value district, construction lacking in fire resistive features makes severe individual block fires probable in most localities. Most of the streets are of good width and there are several open spaces in or on the boundary of the district. Forty-two percent of the built on area is fireproof construction or is sprinklered and is so distributed as to form many local fire stops. The fire fighting facilities are fairly strong, so that fires involving considerable portions of the district are not probable.

Minor Can Be Licensed

Insurance agents in Indiana do not need to be 21 years old or more in order to procure licenses, according to the attorney general to Commissioner Kidd.

LOYALTY GROUP

JANUARY 1, 1932 STATEMENTS

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.
FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY
 CAPITAL SURPLUS TO POLICYHOLDERS
\$18,795,380.00 ORGANIZED 1855 **\$32,306,202.99**

NEAL BASSETT, Chairman of Board
 HENRY M. GRATZ, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.
THE GIRARD FIRE AND MARINE INSURANCE COMPANY
\$ 1,000,000.00 ORGANIZED 1853 **\$ 2,034,545.17**

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.
THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA
\$ 600,000.00 ORGANIZED 1854 **\$ 1,226,248.02**

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.
NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.
\$ 1,000,000.00 ORGANIZED 1856 **\$ 1,563,520.84**

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.
SUPERIOR FIRE INSURANCE COMPANY
\$ 1,000,000.00 ORGANIZED 1871 **\$ 1,603,338.23**

NEAL BASSETT, Chairman of Board
 W. E. WOLLAEGER, President JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres.
 H. R. M. SMITH, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.
THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE
\$ 1,000,000.00 ORGANIZED 1870 **\$ 1,751,660.54**

CHARLES L. JACKMAN, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.
THE CAPITAL FIRE INSURANCE COMPANY
\$ 300,000.00 ORGANIZED 1886 **\$ 511,958.09**

CHARLES L. JACKMAN, President
UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.
\$ 100,000.00 ORGANIZED 1905 **\$ 137,264.60**

NEAL BASSETT, President
 JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V.-Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V.-Pres. T. LEE TRIMBLE, 2d V.-Pres. OLIN BROOKS, 2d V.-Pres.
MILWAUKEE MECHANICS' INSURANCE COMPANY
\$ 2,000,000.00 ORGANIZED 1852 **\$ 4,967,756.04**

NEAL BASSETT, Chairman of Board
 J. SCOFIELD ROWE, Vice Chairman
 H. S. LANDERS, President J. C. HEYER, Vice President WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President
 E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3rd Vice Pres't S. K. McCLURE, 3d Vice Pres. T. A. SMITH, Jr., 3rd Vice Pres. F. J. ROAN, 3rd Vice Pres.
THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK
\$ 1,000,000.00 ORGANIZED 1874 **\$ 2,009,866.67**

NEAL BASSETT, Chairman of Board
 H. S. LANDERS, President WINANT VAN WINKLE, Vice President J. C. HEYER, Vice President JOHN R. COONEY, Vice-President
 E. G. POTTER, 2d Vice Pres. T. A. SMITH, 3rd Vice Pres. FRANK J. ROAN, 3rd Vice Pres. E. R. HUNT, 3rd Vice Pres. S. K. McCLURE, 3rd Vice Pres.
COMMERCIAL CASUALTY INSURANCE COMPANY
\$ 1,000,000.00 ORGANIZED 1909 **\$ 1,814,648.30**

WESTERN DEPARTMENT
 844 Rush Street, Chicago, Illinois
 HERBERT A. CLARK, Vice President
 H. R. M. SMITH, Vice President
 JAMES SMITH, Secretary

CANADIAN DEPARTMENT
 461-467 Bay St., Toronto, Canada
 MASSIE & RENWICK, Ltd., Managers

EASTERN DEPARTMENT
 10 Park Place
 NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
 220 Bush Street,
 San Francisco, California
 W. W. & E. G. POTTER, 2nd Vice Presidents
 F. E. BRISBINE, Res. Vice President
 FRED W. SULLIVAN, Secretary
SOUTH-WESTERN DEPARTMENT
 912 Commerce St., Dallas, Texas
 OLIN BROOKS, 2d Vice President
 BEN LEE BOYNTON, Res. Vice President
 A. C. MEEKER, Secretary

LOYAL TO PRINCIPLE -- TO LOYAL AGENTS, LOYAL

STATES OF THE NORTHWEST

Minnesota Federation Plans

**Annual Meeting June 16—To Hear
H. M. Craig on Responsibility
Law Question**

ST. PAUL, June 8.—Automobile safety responsibility legislation will be the major topic for discussion at the annual meeting of the Insurance Federation of Minnesota here June 16.

H. M. Craig, secretary of the Minnesota State Automobile association, will be the speaker. The legislature, meeting next winter, will probably again consider legislation of this type.

A round table discussion of various matters of interest to insurance men will be a feature of the meeting.

During the morning members of the federation have been invited to attend the annual meeting of the Minnesota State Bankers association at which two nationally known insurance men will speak. They are Russell A. Algire, vice-president of the National Surety, who will speak on "Insurance Rates and their Future," and R. R. Rogers, assistant secretary of the Prudential, whose subject will be "The Farm Loan Situation."

Clyde B. Helm, Minneapolis, is secretary of the federation.

Two Meetings in Milwaukee

**Busack Elected M. L. G. of Wisconsin
Blue Goose, Lofgren President
of Prevention Group**

H. C. Busack, state agent Norwich Union, was elected most loyal gander of the Wisconsin home nest of Blue Goose at the annual meeting in Milwaukee. He succeeds H. J. Girard, state agent Providence Washington. Other new officers are: J. C. Qualmann, state agent Queen, reelected welder; Frank Huntley, state agent London & Liverpool & Globe, supervisor; Paul McKown, special agent St. Paul Fire & Marine, custodian; R. A. Kense, special agent London & Scottish, and Northern Assurance, guardian, and C. M. Garst, of the Fire Insurance Rating Bureau, reelected keeper. Gander Girard and C. P. Helliwell were named delegates to the Grand Nest meeting at Jacksonville, Fla., in September. It was

reported about 50 percent of ganders have come in under the Grand Nest group life plan.

The annual meeting of the Wisconsin State Fire Prevention Association preceded the Blue Goose. C. A. Lofgren, state agent Security of Iowa, was elected president, succeeding E. O. Spink, state agent London and Manhattan F. & M. A. L. Telin, state agent Northern of New York, was elected vice-president, and C. R. James, special agent Aetna Fire, reelected secretary-treasurer.

Test Casualty Company's Writing Fire Insurance

MINNEAPOLIS, June 8.—The American Indemnity has started a mandamus action in Hennepin county district court here to compel Commissioner Garfield W. Brown to grant it a license. The company absorbed the American Fire and Marine last December and since that time has been writing fire policies in Texas and Louisiana.

The American Indemnity has for several years been licensed to write casualty business in Minnesota. Under a ruling of the attorney general's office some years ago that a casualty company could not write fire insurance in this state, Mr. Brown holds that the company can not write fire insurance and that if it continues to do so it will be prohibited from writing surety and automobile liability and property damage in Minnesota. The company maintains that the commissioner has misinterpreted the law.

Michigan Ready to Appeal Decision in Mutual Case

LANSING, MICH., June 8.—The state will appeal a decision of the Genesee county circuit court in a case involving the Empire Mutual Fire of Flint, which was placed in the custody of Commissioner Livingston as receiver several months ago. The judge in effect holds that the unearned premium reserve deposit requirements of the statute may be met by posting "dummy funds," notes, mortgages, or other securities which are turned over to the mutual but which are to be turned back to the original owner in event of liqui-

dation. Suit was brought against the mutual by Mrs. L. B. Whitaker of Flint, mother of A. L. Whitaker, former secretary of the carrier. Mrs. Whitaker gave the mutual two notes, one for \$10,000 and the other \$3,000, secured by mortgages on Flint real estate, to bolster the unearned premium reserve to the statutory minimum. With liquidation, however, Mrs. Whitaker sought cancellation of the notes and discharge of the mortgages. The receiver opposed this, claiming under the law this collateral should be construed as an actual and not merely a "paper" safeguard. The court ordered cancellation of the notes and release of the mortgages.

Writing Combined Policy

The Builders & Manufacturers Mutual Casualty of Chicago has been licensed in North Dakota and South Da-

kota and is writing a combined automobile policy in connection with the Implement Dealers Mutual Fire of Grand Forks, N. D.

South Dakota Field Meeting

The annual meeting of the South Dakota Fire Underwriters Association will be held at Huron, S. D., June 21.

Indorse Dahl for Commissioner

Herman H. Dahl of Renville county has been indorsed by Independents for North Dakota insurance commissioner. Mr. Dahl has 35 years experience as banker, farmer and insurance man.

"Insurance as a Vocation" was the subject of a talk given the students of Franklin junior high school of Racine, Wis., over the broadcasting system of the school by Grover F. Miller of the Miller Brothers Agency.

IN THE MISSOURI VALLEY

Fire Preventionists Elect

**N. P. McGovern, St. Paul, Again Named
to Head Iowa Association for
Coming Year**

DES MOINES, June 8.—The Iowa State Fire Prevention Association held its annual meeting here last week, re-electing all the old officers as follows: President, N. P. McGovern, St. Paul Fire & Marine; vice-president, A. A. Ingram, National; secretary-treasurer, Claude Borrett, Hanover; assistant secretary, J. H. Bunten, Fire Association.

R. E. Vernor, manager fire prevention department, Western Actuarial Bureau, complimented the Iowa association on its splendid fire prevention work. He stressed the need for even more activity this year due to depressed business conditions. Commissioner E. W. Clark was present and made a few remarks and State Fire Marshal Strohm made a report on department activities.

Want Fireworks Ordinance

One of the principal activities now engaging the attention of association officers is fireworks ordinance work. As the direct result of last year's conflagration at Spencer, scores of Iowa towns have already put in force fireworks ordinances. Des Moines has been a stumbling block, the city council being blocked by pressure from retail merchants who don't want such an

ordinance passed until after the Fourth of July this year.

Central Kansas Field Club Is Soon to Close Season

Miss Anita Brown, daughter of H. B. Brown, Kansas state agent Northwestern National, was guest speaker at the meeting of the Central Kansas Field Men's Club, giving her prize-winning oration, "Stardust and Clay," which won second place in the recent national Pi Kappa Delta forensic contest at Tulsa. J. A. Stone, San Francisco, brother of Austin Stone, independent adjuster and former president of the club, was a guest. Col. S. F. Woolard presided. Secretary W. H. Moore announced that E. H. McReynolds of St. Louis, special representative of President Baldwin of the Missouri Pacific railroad, would be the next speaker, on "The Plight of the Railroads and Its Relation to Fire Insurance Companies." Wichita local agents are being invited to attend the meeting. Annual election will be the following week, and then the club will adjourn for the summer.

Must Furnish Surety Bond

LINCOLN, NEB., June 8.—Attorney General Sorensen has sustained the ruling of Commissioner Herdman that the Nebraska National of Omaha, of which P. F. Zimmer is president, will

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have to continue to supply a \$50,000 surety bond as added security for hail policies written on the assessment plan. Mr. Zimmer recently added automobile, fire and tornado to the lines sold, and as the premium on these surety bonds has recently been largely increased, he sought to avoid the necessity of supplying one by pointing out that the addition of the new lines puts the company in a different class from those writing coverage of growing crops only. The attorney general says that the hail is written in a separate contract and the union of the several types of insurance which the company may lawfully sell does not strip the individual lines of their respective statutory characteristics. The law plainly requires companies issuing assessment hail policies to provide the bond stated, and adding other lines will not eliminate that requirement.

Scattered Storms in Kansas

Scattered storms in Kansas last week resulted in wind, hail and fire losses. Early in the week hail damage was reported in limited districts. The losses were not extensive in any case. Several dwellings suffered tornado losses in Elkhart Saturday but the total damage was estimated at less than \$10,000. Several threatening tornadoes were observed at other points during the week with little damage. Lightning demolished the chimney of a fire resistive school in Wichita with no loss to the building. So far this season, there has been a very minimum of losses resulting from the elements in Kansas. With the wheat crop harvest starting last week it is possible that hail experience will be favorable, though the volume is estimated at only 25 to 35 percent of normal.

Grocers Have Insurance Dept.

The Kansas Retail Grocers Association recently established a new insurance department which is said to offer a complete line of insurance protection obtained through legal reserve companies. The insurance department, which has been approved by the board of directors of the association, will be known as the Kansas Retail Underwriters. The association also plans to establish a legal department for its members.

State Hail Fund Still on Decline

LINCOLN, NEB., June 8.—The state hail bureau continues to decline in popular favor despite the fact that in the last two or three years it has been able to pay all losses in full. To June 1 only 41 landowners in 14 of the 93 counties in the state had applied for policies, their premium payments totaling \$940. A year ago applications on file numbered 172, representing \$5,795 in premiums. Losses last year were \$2,371. No policies were asked for in the high rate zones.

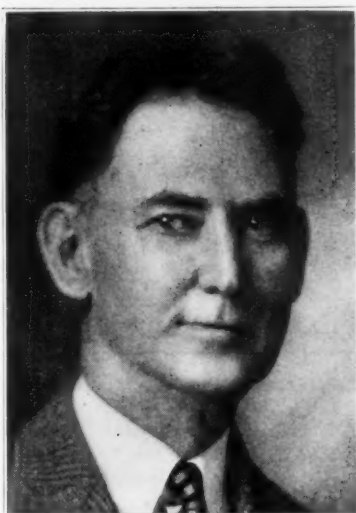
Manhattan Agencies Merge

Two of the largest agencies at Manhattan, Kan., the McClung & McClung agency and the Universal Securities Company, have consolidated. The new agency is known as the Universal Securities & Agency Company. W. E. Bryant is president, O. M. Rhine, secretary-treasurer, and T. O. McClung manager of the insurance department. The McClung agency has been operated at Manhattan by T. O. McClung and John McClung since 1919. John McClung is not with the new agency but retained the life and accident business, which he is operating alone.

Hear Reconstruction Program

At the June 6 meeting of the Iowa Blue Goose in Des Moines, B. F. Kauffman, president Bankers Trust Company, Des Moines, and vice-chairman of the Reconstruction Finance Corporation for Iowa, spoke on the activities of the corporation and the good that

Frank L. Britton Opens Topeka Adjusting Office



FRANK L. BRITTON

TOPEKA, KAN., June 8.—Frank L. Britton has organized the Britton Adjusting Agency with offices at 220 Insurance building, Topeka. Mr. Britton will act as adjuster of all kinds of insurance claims.

Mr. Britton is well known to agents, field men and company officials throughout Kansas, having been for nearly 20 years Kansas state agent of the North British & Mercantile. For the past three years he has been executive vice-president of the Preferred Risk Fire, which position he has just resigned to open his own adjusting office. As Kansas state agent of the North British Mr. Britton was looked upon as one of the outstanding field men of the state, and while with the Preferred Risk Fire he was considerable of a factor in the upholding of its business. Mr. Britton served as president of the Fire Underwriters Association of the Northwest in 1927.

has been accomplished. Iowa banks and a number of insurance companies have borrowed to the extent of about \$25,000,000.

The last meeting of the pond before summer will be on June 13 when a joint session will be held with the Casualty & Surety Club of Des Moines. Robert Colflesh, newly elected district attorney for southern Iowa, will be the speaker.

Lincoln Board Elects

LINCOLN, NEB., June 8.—At the annual meeting of the Lincoln Fire, Casualty & Surety Association George E. Snuffin was reelected president. Cecil Gates was named secretary-treasurer and a member of the executive committee, and Warren Woodward vice-president.

Pollard Opens Topeka Office

T. C. Pollard, formerly with the Commercial Union fleet, later doing independent adjusting, has opened an office in the Mutual Insurance building at Topeka. He, with assistants, will represent the Northwestern Mutual Fire of Seattle and other mutuals, and will do a general independent adjusting business, chiefly for mutual companies.

Kansas City Outing

KANSAS CITY, MO., June 8.—Employees, officials and managers of all Kansas City insurance agencies, companies, branch offices, etc., will go on a Missouri river excursion July 13. Offices will close at noon, the party starting at 2:00 and returning at 12:00. A



● A magazine comes in the mail. It impels reading and reasoning. ● A prospect down the street—a case similar to that on page two. ● The article which follows you mentally note to take up later. And you carefully file THE ACCELERATOR—zealously save THE ACCELERATOR—religiously read THE ACCELERATOR—if you are eligible to receive it. ● Send for a copy and our new booklet "Making More Money".

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Reserve for Unearned Premiums	\$2,082,507.62
Reserve for Losses, etc.	678,921.47
Reserve for Security Values	1,500,000.00
CASH CAPITAL	1,000,000.00
NET SURPLUS	1,204,994.67

TOTAL ASSETS\$6,466,423.76

SURPLUS TO POLICYHOLDERS \$2,204,994.67

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buffet supper will be served on the boat and there will be dancing.

Launch Loss Campaign

The Missouri field men's organization conducting a comprehensive campaign to reduce fire losses held a successful meeting June 2 at Princeton, where the organization's program was put into effect. The next meeting will be June 16 at Kirksville.

Urges Maintenance of Protection

At the annual meeting of the Iowa Association of Fire Fighters at Council Bluffs, Capt. Henry Jurgenson, Iowa Insurance Service Bureau, Des Moines,

urged that fire department equipment and personnel be maintained at a constantly high standard despite present economic conditions.

Missouri Notes

Arthur B. Finch has sold his agency at Springfield, Mo., to the Wassweiler & Martin agency there. The two will be consolidated.

T. S. Ridge, Jr., prominent Kansas City local agent, has moved his offices into larger quarters on the third floor of the Ridge building.

L. S. Toor, St. Louis, has been appointed chief rater of the Missouri insurance department, succeeding H. B. Allen, who recently died.

STATES OF THE SOUTHWEST**Langham Reviews Licensing****Administration of Statute Was Most Vital Problem of Year, Texas Agents Told in Annual Session**

Administration of the agent's license bill was the most vital problem which confronted the Texas Association of Insurance Agents during the year, President A. D. Langham of that organization stated in his report at the annual meeting at Amarillo.

Instead of holding a mid-year meeting, the board of directors of the Texas association conducted a joint meeting of directors and legislative committee in Austin and had a conference with the board of insurance commissioners on the license bill, he reported.

Mr. Langham commended the commissioners for their administration of the law. They found many border line cases, he said, and felt that the law was not intended to work a hardship on anyone honestly attempting to earn a living in the business and so it was necessary to make a more liberal interpretation in certain cases and still not establish a precedent.

Asks for Indulgence

Mr. Langham asked for co-operation of the agents until the commissioners can complete the business of weeding out unqualified agents and solicitors and as far as possible licensing only those whose real business is insurance. This law, he said, will be only as effective as the agents in the community want to make it. If an agent employs part time solicitors and if he gets his companies to appoint them, Mr. Langham said that the commissioners should not be blamed if licenses are granted to them.

Mr. Langham recalled that nine regional meetings were held during the year. He recommended that next year a meeting be held in the 12 districts of the state. He urged that the regional vice-presidents prepare for the meetings well in advance and give as much publicity to the meetings as possible.

Mr. Langham said that it is the duty of every agent to his clients to take stock of his companies and to give allegiance to those companies loyal to the American agency system.

Members were urged to take a serious interest in state politics, seeking to elect legislators who will cooperate with the legislative committee of the Texas association.

Seay Brings Greetings

G. Mabry Seay of Dallas brought greetings to the Texas association in his capacity as member of the executive committee of the National Association of Insurance Agents. Mr. Seay expressed the belief that the companies now have confidence in the intentions and ability of the National association. There is a fine relationship between agents and companies today, he said.

Mr. Seay declared that agents are charged with the responsibility of investigating the financial set up of their

companies. Agents should be equipped, he declared, to advise clients accurately as to the financial strength of their companies. Caution, however, he pointed out, should be exercised, so that the information should be absolutely accurate.

The speaker urged agents not to deal with companies which deal directly with the public. He closed with an appeal for the agents to attend the annual meeting of the National association in Philadelphia.

Many Part-Timers Shut Out**Enforcement of New Texas Law as of June 1 Affects 2,000 in Dallas Alone, 7,000 in State**

DALLAS, TEX., June 8.—Some 2,000 part-time fire insurance agents in Dallas and 7,000 in Texas found themselves without licenses to solicit or write business June 1 as a result of the ruling of the state board of insurance commissioners putting into effect the new law regarding the licensing of agents. The state board had delayed making operative the new law until it had examined all agents' applications. It had issued licenses to all agents thought entitled to them and on June 1 issued an order revoking all old licenses.

In Dallas and most of the larger cities of the state there were numbers of lumbermen, loan men, realtors, clerks, bankers, contractors and others who had licenses to write fire insurance when they really wrote their own business or that of some concern which was willing to split the commission. Under the new law and the ruling of the state board only persons engaged exclusively in writing fire insurance lines are entitled to license. The new law does not apply to agents writing health, life and accident coverage.

It is estimated there are now some 400 licensed agents in Dallas. The number of agents at Houston has been greatly reduced by the new order. The same applies at Fort Worth, Waco, Wichita Falls and many other places. There was no great reduction in the number of persons writing applications for fire insurance at San Antonio. The situation there was in fair shape.

New Mortgage Rule

OKLAHOMA CITY, June 8.—A new rule governing insurance clauses in mortgages on school land has been adopted by the Oklahoma school land commission, providing that no mortgages will be renewed and no new ones taken unless the insurance is payable to the state.

Rerate 132 Towns in 1932

OKLAHOMA CITY.—Since the first of the year the Oklahoma Inspection Bureau has rerated 132 towns, ranging in classification from seventh to tenth class. Included are Claremore, Guthrie, El Reno and Stigler. The clas-

sification of none were changed. The bureau is now at work re-rating Pawhuska, Ada, Nowata, Venita and Sand Springs, Manager C. T. Ingalls reports. Because of financial conditions, it is expected that a number of towns may reduce their fire fighting efficiency to the point where their classification may be raised and a few of the smaller towns of the state have already been placed in tenth class for this reason.

Heavy Hail Losses in Texas

The Fire Companies Adjustment Bureau reports heavy hail losses at Del Rio, Tex., from successive hail storms in that section. There were 500 claims. There was damage on every roof in Del Rio, and the claims would have been more numerous but for the fact that some had lapsed their insurance. F. A. Towns of the Wichita Falls office and Warren Johns of the Waco office were called to the assistance of the San Antonio adjusters.

New Oklahoma Farm Schedule

OKLAHOMA CITY, June 8.—Manager C. T. Ingalls of the Oklahoma Inspection Bureau has issued a new farm schedule, the principal change being the inclusion of the three-fourths value clause on all forms of policies except those on live stock. This was made imperative by recent action of the state insurance board.

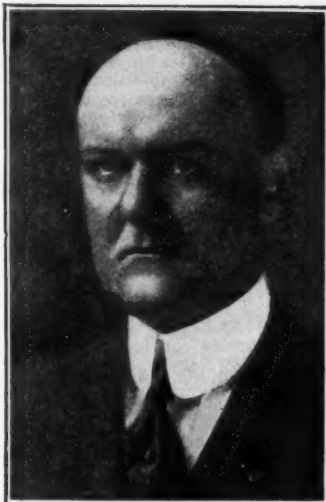
Goes with Cravens-Dargan

Cravens, Dargan & Co., Houston, Tex., general agents, have appointed S. D. Handly, special agent in central west Texas with headquarters at Lubbock. He was formerly connected with the National Union Fire. At one time he was a local agent in Wise county, Tex. He taught school for some years. Recently Cravens, Dargan & Co., reinsured the Texas farm business of the National Union in the American Central.

Tulsa Association Meets

Insurance conditions in Oklahoma were reviewed at a meeting of the Fire & Casualty Association of Tulsa. Speakers

Prominent Texan



G. MABRY SEAY, Dallas Tex.

G. Mabry Seay, prominent Dallas agent, bearer of an illustrious name in his state, member of the executive committee of the National Association of Insurance Agents, represented that organization at the meeting of the Texas Association of Insurance Agents at Amarillo this week. Mr. Seay is regarded as one of the foremost local agents in the country. In fact Texas local agents look forward to the time when he will advance to the National association presidency.

ers were Harry Smith and R. H. Siegfried, Tulsa; and W. M. Murdock, Oklahoma City, former secretary of the State Insurance Board.

All city fire department members of Tulsa, except class C and class D voluntarily accepted a 10 percent salary reduction, aggregating \$40,000 and extending from May 15 to June 30, 1933. Current scale of pension payments is not affected.

IN THE SOUTHERN STATES

Prepare for Annual Meeting

North Carolina Association of Insurance Agents Announces Program for the Wrightsville Rally

Thomas C. Hayes of Charlotte, president North Carolina Association of Insurance Agents, has put the finishing touches on the program for the annual meeting to be held at Wrightsville Beach near Wilmington, June 24-25. John J. Hall, director of the street and highway safety division of the National Bureau of Casualty & Surety Underwriters, will speak. President W. B. Calhoun of the National association will be present to represent that body. Col. Walker Taylor of Wilmington will give the address of welcome and the response will be by McAlister Cardon of Charlotte. There will be a number of topics up for discussion. On the afternoon of the first day a trip will be taken through the inland waterways. A deep sea fishing trip has also been arranged. In the evening there will be a banquet with R. S. Busbee, president of the Atlantic Fire of Raleigh as toastmaster. The Carolina Insurance Company of Wilmington will be host at the dance.

F. A. Hobson, who recently organized a local agency of his own in Richmond, Va., after being with R. B. Augustine & Co. for several years, has incorporated his agency. Mr. Hobson is president; F. A. Hobson, Jr., vice-president; B. D. Dechert, secretary-treasurer.

Virginia Program Announced

Speakers at Session June 16-17 Include Bennett, Dumont, Ransom, Hall, Frazier

High lights of the annual convention of the Virginia Association of Insurance Agents to be held in Richmond June 16-17 will be addresses by Walter H. Bennett, secretary National Association of Insurance Agents, "Issues of 1932"; John R. Dumont, manager Interstate Underwriters Board; C. O. Ransom, Cleveland local board, "What's to Be Done About Reciprocity?"; John J. Hall, director of the street and highway safety division of the National Bureau of Casualty & Surety Underwriters, "Highway and Street Safety"; T. McCall Frazier, Virginia motor vehicle director, "Virginia's New License and Motor Safety Laws."

George C. Peery, member of the Virginia state corporation commission, with supervision over insurance, has also agreed to make a talk but has not announced his subject. The report of President W. Owen Wilson will feature the opening session. Greetings will be extended by Louis E. English, general agent of Richmond and Malcolm F. Jones, state agent American of Newark, who is president of the Fire Insurance Field Club of Virginia.

The afternoon and evening of the first day will be given over to pleasure.

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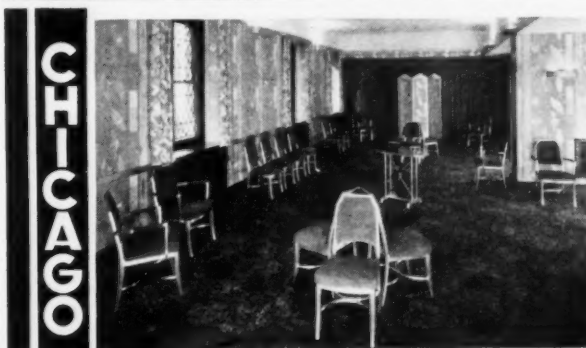
In **Co-operation**, our staff of officials have had many years of experience in Agency work and therefore understand fully Agent's problems; we are capable and willing as a company and individuals to do our utmost in serving agents and their customers in any capacity requested.

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Luncheon will be served in the hotel immediately after adjournment. In the afternoon there will be a golf tournament. A banquet will be given that night.

Business sessions for members only will be held the morning of the second day. Then will come reports of the various standing committees. The convention will be brought to a close with reports from the resolutions and nominating committees.

Stricter Supervision Sought

Louisiana Insurance Commission Asks Authority to Suspend Rating Bureau Members for Violations

NEW ORLEANS, June 8.—Legislation to provide for more strict supervision of the Louisiana Rating & Fire Prevention Bureau is requested by the Louisiana Insurance Commission in its annual report. The commission recommended that the law under which it supervises the rating bureau, be amended so that any director, officer or agent of the bureau fined by the commission for any violation of the act, shall be removable by the commission.

The commission recommended also that parochial, municipal and public buildings be rated and classed in the same manner as other risks of a similar character. It recommended the repeal of an amendment compelling stock fire insurance companies to pay all local agents the same rate of commission. A recommendation also was included proposing that experience reports be filed annually on dates fixed by the commission and that a maximum of 42 percent be fixed for expenses of the companies so far as rate-making is concerned.

The commission favors the adoption of the latest New York standard fire policy. It points out that the standard form now in use in Louisiana went into effect in 1896, yet is referred to by the present laws as the New York standard form. It is an antiquated form, says the commission, which does not meet modern insurance needs.

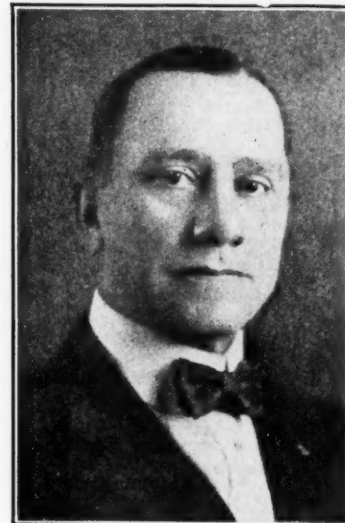
The financial report of the commission shows that it received \$34,353 for the year ending Sept. 30, 1931, and spent \$33,215, leaving a cash balance of \$1,138.

Seek to Increase Tax Rate

Company Executives Are Alarmed in the Tendency to Burden Companies Still More

NEW YORK, June 8.—In addition to their continued worryment over general financial conditions and the effect market quotations will have upon many investments held in company portfolios, company officials are facing the strong probability of increased taxation in several states. Legislators, in their desire to square income with outgo for public activities cast about in all directions to discover sources for additional revenue. Louisiana notably has come to the front in such connection of late. Under present requirements the tax paid by fire offices operating in Louisiana is approximately 6 percent, this including the graduated premium tax, together with the special tax for maintaining the fire marshal's office and for firemen's pensions. As the companies pay all charges for operating the rating organization in the state, the aggregate cost for the privilege of doing business there is giving officials no little concern. Tennessee is another state anxious to increase its public income and it has hit upon fire companies as likely prospects for aid to that end. When the fire loss records of certain of the states is scanned the wonder is that companies continue representation in them. The prediction is that unless there be speedy and marked improvement in the loss experience, and abandonment of the disposition to mulct insurance interests through the imposi-

Sails for Europe



JOHN X. WEGMANN

President John X. Wegmann of the Lafayette Fire of New Orleans is sailing from New York next Sunday for Europe. He plans to attend the Eucharistic Congress in Dublin and after that will go to England, France, Italy and Germany. Mr. Wegmann has completed 44 years of service with the Lafayette Fire. He has just been appointed president of the Archdiocesan Union of the Holy Name Societies at New Orleans.

tion of tax after tax, many companies will be forced to withdraw from such fields, as was done in Mississippi a few years ago.

Regional Meetings Held by Agents in Tennessee

The regional meeting of the Tennessee Association of Insurance Agents at Murfreesboro was declared one of the most successful of the year. C. B. H. Loventhal, national councillor, gave a brief history of the association and the benefits that can be derived from it in connection with both personal and state problems. Balie C. Gross, regional vice-president of the state association, gave a talk on membership.

As a result of this meeting a majority of the agents in Murfreesboro indicated a desire to join the state association and a number of agents from adjoining towns also made application for membership.

The welcoming address was given by N. C. Crichlow, president of the Murfreesboro Board, and the response was made by Horace England, president of the Nashville Insurance Exchange. A general discussion was held at the afternoon session concerning the work of the association and plans were outlined for its expansion and improvement. The attendance was splendid at both the morning and afternoon sessions.

This meeting was the second of a series held by the Tennessee association in furtherance of its "three-year expansion program." The first meeting was held in Union City in April. W. I. Edwards of Nashville, president of the state association, presided at both meetings.

Resident Agent Law Hits Casualty Branch Offices

LOUISVILLE, June 8. — Acting Commissioner Brown notified all companies doing business in this state of the provisions of the act passed by the 1932 legislature, which prohibits all

companies other than life from allowing any policy in the state to be signed by other than a duly licensed or registered resident local agent. The law, which takes effect June 16, carries a penalty of from \$500 to \$1,000, and also provides for suspension of license up to 90 days.

This act was introduced and passed through efforts of fire insurance agents, in an effort to block direct and overhead writing and prevent signing of policies by company men. At time of its passage casualty and surety interests did not pay much attention to it, as it appeared to be merely a fire insurance regulation. However, section 724 of the Kentucky statutes provides that laws applying to fire insurance also apply to casualty and surety and this was upheld by the Kentucky court of appeals in Lyman vs. Ramey. The new act provides that no state or special agent, traveling or salaried employee may sign a policy.

The new act will probably cause branch offices considerable trouble.

Commission Is Appointed to Codify Virginia Laws

RICHMOND, June 8.—Governor Pollard has appointed S. L. Kelley of Richmond, R. R. Parker of Appalachia and Braden Vandeventer of Norfolk as members of the legislative commission which is to revise, simplify and codify the Virginia insurance laws. This completes the personnel of the commission. Other members are State Senators Montague of Richmond and Wright of Tappahannock, Representatives Hall of Loudoun, Lauterback of Page, Stanley of Page, and Commissioner George A. Bowles. The director of the state legislative bureau will be chairman ex-officio. Mr. Hall was author of the original resolution which resulted in the legislative probe of fire rates several years ago. Both he and Mr. Parker served on the commission appointed to inquire into the rates. Mr. Vandeventer served as special counsel for the state in the rate proceedings subsequently held before the corporation commission.

New Committeemen Chosen for Virginia Rating Bureau

RICHMOND, June 8.—Three changes in the personnel of the executive committee of the Virginia Insurance Rating Bureau were made at the annual meeting here. New members are A. Banta, New York Underwriters; J. N. Jacobs, Commercial Union, and M. C. Speight, London & Lancashire. Those retiring are: F. H. Spencer, Springfield; D. L. Coulbourn, National of Hartford; Cary P. Carr, Crum and Forster companies. The meeting was principally the transaction of routine business.

J. J. Leake and E. R. Williams, attorneys representing the companies in the fire rate case now on appeal before the state supreme court, reviewed the case and said argument on appeal would be heard next November.

The governing committee of the bureau also held its annual meeting. No changes were made in its personnel. A. R. Phillips, vice-president Great American, remains chairman. The committee adopted a resolution directing Manager Spencer to require mutuals and reciprocals which are members of the bureau to send all daily reports, endorsements and cancelled policies through the bureau in regular order for proper checking. Mr. Spencer was also directed to require all member companies to send automobile daily reports through the bureau for proper checking.

License Fee Opposed

The plea of Edward B. Stout, president of the recently organized association of insurance agents at Bowling Green, Ky., that the \$25.50 agent's license fee in that city be removed, has

been referred to the license committee of the Bowling Green city council.

Mr. Stout said each insurance company operating in Bowling Green paid a fee of \$25.50 and that, in addition, each agent must pay license to represent these companies which already have paid to have a representative in the city.

Mr. Stout said the 16 companies his agency represents pay more than \$400 license fees each year and declared the additional license is unfair.

Rating Bureau Annual Meeting

The annual meeting of the Mississippi State Rating Bureau has been called for June 20 in Jackson. This year, according to the call, a complete new executive committee will be elected. E. N. O'Beirne of Atlanta, manager of the Automobile, will attend.

Thomas L. Spengler of Jackson, president of the executive committee, will deliver the annual address. Lloyd T. Wheeler, manager of the bureau, will give his report.

Interest in Georgia Meeting

ATLANTA, June 8.—Much interest is shown by local agents in Atlanta and other cities and towns in the state in the meeting of the Georgia agents in Savannah July 1.

Officials of the Georgia Inspection & Rating Bureau, including Joseph Raine, secretary; Paul Hulfish, assistant secretary, and Gene Dinnington, manager, expect to attend the meeting, as well as a number of special agents.

Plans for the convention call for a ball to follow the annual banquet on July 1 and the Saturday morning session will be held on a steamer out in the Atlantic ocean.

Launch New Florida Mutual

MIAMI, FLA., June 8.—The State Mutual Fire of Florida, newly incorporated, has started business with home office in the Security building, Miami. It will confine its operations to Florida for the present. T. F. McAuliffe, president, is chairman of the board of State Finance System; F. H. Irwin, executive vice-president, is also vice-president of the American Mutual of Indianapolis. Other officers are J. K. Tilton, vice-president; H. G. Griswold, secretary; R. E. Smith, treasurer.

Won't Raise Warehouse Rate

COLUMBIA, S. C., June 8.—At a conference of officials of the Southeastern Underwriters Association and the state insurance and warehouse commissioners, the companies decided not to raise the rate on South Carolina state warehouses as they had announced earlier. The contemplated increase would have raised the rate from \$1.57½ per \$100 in crop values to \$3.25.

Plan Blue Goose Annual Speaker

NEW ORLEANS, June 8.—The Louisiana Pond Blue Goose at a meeting here Saturday discussed plans for the annual splash to be held about the middle of July. Most Loyal Gander Pons and Wielder Gayle were in charge.

Fire Department Under Fire

LOUISVILLE, June 8.—During a fire in the Kentucky Macaroni Company's plant here the department withdrew to answer a three-alarm fire. Early the next morning fire broke out again and completely gutted the plant, causing a \$100,000 to \$150,000 loss. The fire department is being criticized for its bad judgment in handling the case.

Ruffin's New Connection

B. A. Ruffin, well known in Richmond, Va., insurance circles, has become associated with the Richmond agency of Ortega, Robins & Race as vice-president. He was formerly president of the B. A.

Ruffin & Co. agency. He is a past international president of the Lions Club and was one of the first Richmond busi-

ness men to become air-minded, making the majority of his official visits to Lions clubs by air.

ON THE PACIFIC COAST

Few Bad Spots on the Coast

Loss Ratio About 50 Percent—Premiums Off 10 Percent—Watch Dwellings and Farms

SAN FRANCISCO, June 8.—Fire losses on the Pacific Coast are fairly well distributed throughout the entire territory, according to reports obtained from the coast department offices in San Francisco. While some office records indicate a few unfavorable spots, the general consensus seems to be that location and classification are general, although practically every office on the street mentions dwellings and unprotected properties.

The loss ratio indicator seems to be set at about 50 percent for the first five months and premium income off about 10 percent, although, as usual, there are a few offices reporting improvements in

ratios and holding income equal with last year.

There have been comparatively few large mercantile or manufacturing losses—the largest in the past year being the warehouse at Santa Rosa which burned to the ground last month with a property loss, building and contents, of about \$500,000. The insurance loss in this fire has not yet been determined, but it is believed will be considerable.

Although all fire underwriters say the loss spread is general, all mention the frequency of the farm property fires and the increasing number of small dwelling fires. In one instance a manager has noticed an increasing number of losses among the mill workers' colonies in western Washington, where the lumber industry is in the doldrums, where it has reposed for several years past.

Complaint is also made regarding "free insurance" resulting from poor collections, the policies being rewritten in

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other companies and the same process continued when the broker finds that he must extend the collection period for the client. It has also been noted that renewals are for smaller amounts owing to the lower values.

Washington Agents' Program Is Now Nearly Completed

Except for several outside speakers the program for the convention of the Insurance Agents League of Washington to be held in Seattle July 21-22 has been completed. The outside speakers that have already been obtained are Percy H. Goodwin of San Diego, past president of the National Association of Insurance Agents, and Commissioner Fishback of Washington.

M. B. Hevly, president of the King county agents' association, will call the convention to order. The address of welcome will be delivered by Mayor John Dore of Seattle. President W. W. Miller of Yakima will give his annual report. There will be reports of committees and of National Councillor C. B. White of Seattle. G. R. Thieme of Seattle and B. M. Hay of Spokane, regional vice-chairmen, will address the meeting.

The first feature the afternoon of the first day will be the address of Commissioner Fishback. He will be followed by Mr. Goodwin. There will then be the report on the metropolitan plan for classification of companies. That evening the banquet will be held, at which the new officers will be presented. The principal speaker for that affair will be named later.

The session Friday will be held on board steamship bound for Victoria as guests of the United Pacific Casualty. There will be a discussion of local association problems, sponsored by the presidents of various organizations throughout the state.

No Action Yet on Oakland

SAN FRANCISCO, June 8.—No definite action has as yet been taken by the Pacific Board looking toward rezoning of Oakland for the appointment of agents in accordance with action voted at the annual meeting of the board at Del Monte last month. It was agreed at that time that nothing would be done without conference with agents of the territory and at this conference with the agents the consensus seemed to be that no action should be taken at this time. However, further meetings of the San Francisco bay and metropolitan area committee of the board, of which Joy Lichtenstein is chairman, will be held and possibly something definite worked out.

Utah Conference Held

SAN FRANCISCO, June 8.—Otto Vombauer, president Utah Association of Insurance Agents; E. H. Miller, James Rogers and J. Francis Fowles, representing the Utah association, held a conference with the state's committee of the Pacific Board Tuesday. This was the eighth annual conference of the two groups. The principal topics discussed were mutual competition, the enforcement and possibilities of the model arson law in Utah, etc.

New Credit Association Members

LOS ANGELES, June 8.—Frank E. Crosby, manager of the Insurance Credit Clearing Association, has announced the addition of four new members, the Gulf of Texas, American Indemnity, Home of New York and Mercer Casualty. The association now has a membership of 38 insurance offices in southern California.

Many Take Examinations

SAN FRANCISCO, June 8.—More than 1,000 agents, brokers and solicitors who have been operating under temporary certificates took the examina-

tions conducted by the California department June 1 and 3. The examinations were held in San Diego, Los Angeles, Fresno and Sacramento June 1 and in San Francisco June 3. It is planned to hold similar "exams" in Eureka and San Luis Obispo later in the month. Between 550 and 600 agents and brokers in San Francisco and the adjacent territory were notified to report.

Faust Heads California Pond

LOS ANGELES, June 8.—M. E. Faust, independent adjuster, was unanimously elected most loyal gander of the California Blue Goose at its annual meeting. Other officers elected were: J. S. Hurry, Glens Falls, supervisor; R. O. Elmore, Fireman's Fund, custodian; F. M. Hagan, Firemen's group, guardian; L. F. Fargo, independent adjuster, welder; J. C. Buchanan, Automobile Club of Southern California, keeper. Grand nest delegates are V. W. McKinney, Niagara; W. F. Khul, Rolph, Landis & Ellis; G. A. Kingman, Home of New York, and Mr. Buchanan.

Address Oregon Fire Chiefs

Jay W. Stevens, chief of the fire prevention bureau of the National Board, and state fire marshal of California, and L. S. Bush, chief engineer of the Pacific Board, gave two of the principal addresses at the annual convention and school of Oregon fire chiefs in Corvallis June 7-9. Chief Stevens spoke on fire prevention and the value of inspection and Mr. Bush on "Rural Fire Protection Organization."

London Officials on Coast

Alexander MacDonald, general manager at London for the Royal Exchange; R. E. Oldfield, fire manager at London, and Gayle, T. Forbush, United States manager, are now on their way to the coast on a business trip. They stopped in Chicago and had a conference with Rush B. McClure, general agent for the Royal Exchange there.

F. A. Rumsey Transferred

Special Agent Frank A. Rumsey of the Firemen's group has been transferred from the Sacramento valley to San Francisco as city special agent. J. V. Muller, who has been supervising a number of companies of the group in the Sacramento valley, is placed in charge of the companies formerly under Mr. Rumsey's supervision, including the Concordia, Pittsburgh Underwriters, Milwaukee Mechanics and Superior Fire.

Schneider to San Diego

A. M. Schneider, special agent for the Springfield Fire & Marine, has been transferred to San Diego, where he will have supervision over Arizona and the California counties south of Los Angeles. R. G. Stich, superintendent of agencies, will continue in charge of Los Angeles and counties north, assisted by Special Agent A. P. Stich.

Get N. Y. Equitable Underwriters

SAN FRANCISCO, June 8.—H. R. Mann & Co have been appointed general agents for the New York Equitable Underwriters of the Corroon & Reynolds fleet. It is one of the oldest general agencies on the Pacific Coast, established in 1872.

Shiels Pasadena Speaker

W. E. Shiels, manager of the casualty department of the Travelers in Los Angeles and president of the Casualty Association of Los Angeles, spoke at last week's meeting of the Pasadena Association of Insurance Agents on reciprocal and mutual competition.

The annual meeting of the Seattle Blue Goose has been set for July 15.

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IN THE MOUNTAIN FIELD

Rule 2 Is Endorsed by Club

Mountain Field Organization Continues Measure Which Has Been Stormy Issue—Committees Named

The Mountain Field Club at its regular meeting in Denver Monday adopted a resolution prepared by the governing committee endorsing its famous Rule 2 on delinquent agents, the purpose being to continue it in force pending action of the supervisory committee next October on an amended measure at its regular meeting here.

Rule 2 has had a stormy career. Division of membership over its support and enforcement repeatedly has threatened to disrupt the organization, for it required every member to attend all meetings called to consider delinquent agents and to cooperate with the committee in any action taken. The amendment would make the rule a company measure, providing for suspension of delinquent agents for a year, during which time they would be barred from representing any company in Rocky Mountain Fire Underwriters Association territory.

A \$5 assessment was levied against members, necessitated by printing and postage required in connection with proposals to amend Rule 2. A committee was authorized to work out a plan to notify companies in event any company decides to cancel off a risk for reason. The committee includes H. C. Stebbins, H. P. Giberson and H. J. Helmkamp, the idea being proposed by Mr. Helmkamp, who has had experience under a similar rule in Kansas.

A loss committee of members of the field club has been appointed to confer with the management of the Fire Companies Adjustment Bureau on problems growing out of losses as claims arise. It will also cooperate with the advisory committee recently formed. The loss

committee is composed of E. P. Eppich, Harry Hickok, Richard White, B. M. McDonald and Marshall Parker.

Mrs. Chipman Takes Agency

In a recent issue it was stated that C. O. Chipman of Pueblo, Colo., had been enjoined from engaging directly or indirectly in insurance for three years. Mrs. Chipman, however, has not been enjoined and she is allowed to solicit insurance from either her husband's clients or anyone else. Most of the companies therefore in the agency have appointed Mrs. Chipman as agent.

Marron to Grand Junction

George E. Marron, Denver, who has been connected with the Mountain department of the Fire Companies Adjustment Bureau since its organization, has been appointed manager of the new branch office at Grand Junction, Colo. He was with the Western Adjustment several years, working at Chicago and Rapid City, S. D., and for three years was with the Webster Adjustment Company of Denver, which was merged with the bureau organization.

Fire Colleges Scheduled

DENVER, June 8.—The Colorado state fire college will be held at Colorado Springs June 16-17. Clarence Goldsmith, assistant chief engineer of the National Board, will lead in a discussion, "Is Fire Fighting a Science?" H. P. Ruthenberg of Denver, arson investigator of the National Board, will talk on the "Investigation of Fires," and H. K. Rogers of the Western Actuarial Bureau will speak on "True and False Questions." They also will speak at the fire college at Raton, N. M., June 13-15. Programs for both events were arranged by Chief Engineer L. A. Barley of the Mountain States Inspection Bureau.

for insertion of the three-fourths value clause on farm property, which is a new feature in New Jersey. Rates have been changed on unprotected and also on stores and dwellings. The city of Elizabeth, Lawnside, Lawrence township and Princeton township are among places which have been reclassified.

New Jersey Specials Meet

NEWARK, June 8.—The annual meeting and election of officers of the New Jersey Special Agents Association will be held the evening of June 13 at the Monterey Hotel, Asbury Park, N. J. President E. F. Warren will preside.

H. C. Mitchell Opens Agency

H. C. Mitchell, former president of the Georgia Casualty, which was merged with the Public Indemnity two years ago, has opened an agency in Newark, located at 449-455 Central avenue.

Hartford Has Arson Squad

Hartford, Conn., as a result of the fire prevention committee of the chamber of commerce, has now an arson squad composed of three police detectives, one from each of the eight hour shifts. It has been assigned to answer all fire alarms.

New Agents Association

PASSAIC, N. J., June 8.—A new association has been formed here known as the Insurance Underwriters Asso-

ciation, composed of fire and casualty agents in Passaic and Clifton. The officers are: President, Herman Schulting; vice-president, A. C. Sinn; secretary, W. F. O'Brien. The association plans to affiliate with the New Jersey Association of Underwriters.

Admits Setting 50 Fires

John Murray, 35-year-old railway worker, confessed to Hagerstown, Md., police that he had started "at least" 50 fires in the last 10 years. The total damage in these blazes is estimated at \$750,000.

Murray was arrested by detectives of the insurance commissioner's office in connection with two "firebug" blazes last week which swept the downtown district there with a loss of \$75,000. He was identified by two garage workers who saw him flee from the warehouse of the Potomac-Edison company just before an alarm was turned in.

Eastern Notes

The Breeton Corporation of Newark has been incorporated by S. Gorbinsky, F. Novitch and L. Andrasch.

At Paterson, N. J., National Fire Protection engineers find that the fire commissioners have organized a system of continuous inspection of buildings by firemen.

B. T. Mallory, well known local agent at Penn Yan, N. Y., has retired from the active management of his agency to be succeeded by his son, C. H. Mallory. Mr. Mallory has represented the Agricultural for 43 years.

IN THE CANADIAN FIELD

Canadian Organizations Meet

Fire Marshals and Preventionists Gather in Ottawa—Report Made on 1931 Loss

The Association of Canadian Fire Marshals and the Dominion Fire Prevention Association held their annual meeting at Chateau Laurier, Ottawa, Can. President J. A. Thomas, Vancouver, of the fire marshals, and President W. H. Shapley, Canadian Manufacturers Association, presided. The Canadian minister of finance, E. N. Rhodes, K. C.; G. D. Finlayson, insurance superintendent, and T. H. Higginson, president Automatic Sprinkler Association of Canada, addressed the association. R. B. Bennett, K. C., prime minister of Canada, is honorary president of the fire prevention association and Superintendent Finlayson honorary secretary.

A statistical report of fire losses last year presented by J. G. Smith, dominion fire commissioner, showed aggregate loss \$1,000,000 greater than in 1930, largely due to the \$3,000,000 harbor conflagration at West St. Johns, N. B., but the number of large loss fires was much less than in any year for the last ten years. The low average fire insurance rate was pointed out, it having been \$1.11 per \$100 in 1921 and 83 cents in 1931. Necessity for economy has caused less consideration of fire protection by municipal authorities and large property owners.

During the ten-year period, 1922-1931, inclusive, fire damaged 210,149 dwellings and 42,519 barns, sheds and out buildings, with combined loss \$112,046,730. The 1931 Canadian fire loss was set at \$47,117,334, of which nearly one-third, or \$15,959,308 occurred in the province of Ontario, and \$12,085,135 in Quebec.

British Columbia Group Elects

The fire branch of the British Columbia Insurance Underwriters Association at its 40th anniversary meeting elected Arthur Huddell, manager Royal group, chairman. The executive committee includes W. R. Brydon, Union of Canton,

vice-chairman; John Anderson, Commercial Union; F. W. Gaston, Tacoma, Wash., Scottish Union & National; J. A. Burgess, Caledonian and County; J. H. Harrison, North America; J. E. Johnson, Seattle, London Assurance; Reginald Law, Aetna; E. W. Lowe, Seattle, National of Hartford; F. W. Rounsefell, Ceperly, Rounsefell & Co.; W. R. Sloan, Royal Exchange; C. V. Wakely, Great American and Phoenix of Hartford.

Canadian Hail Insurance Rates

REGINA, June 8.—Rates for hail insurance in the three prairie provinces of Canada will be the same as last year, according to H. H. Campkin, secretary Canadian Hail Underwriters Association, who states that 10 percent and 25 percent deductible policies will be offered at 80 per cent and 50 per cent respectively of the rates for full coverage. Forty-nine stock companies, compared with 53 last year, will write hail business in Manitoba and Saskatchewan, while in Alberta the number is down from 39 to 32. In 1931, hail net premiums in Canada were \$573,997, and net losses \$480,377, a ratio of 83.69 percent.

Joins Merchants Casualty

Wilfred Hobson, who has been with the Western-British American group in Toronto for some years, has joined the Merchants Casualty of Waterloo, Ont., to take charge of the automobile department.

Regina Agents Elect

The Regina Insurance Agents Association at its annual meeting appointed the following executive committee: Chairman, J. H. Mitchell; vice-chairman, R. S. Patton; W. Logan, J. F. Lunney, J. D. C. Thacker, H. E. Drope and N. Andre.

Winnipeg Agents Elect

The annual meeting of the Winnipeg Insurance Agents Association was exceptionally well attended. The financial condition was reported as excellent, some slight changes in the constitution were approved. The executive commit-

EASTERN STATES ACTIVITIES

Systematic Selling Is Urged

G. V. Thompson of Troy, N. Y., Tells Program That He Follows in His Business Promotion

G. V. Thompson of the D. B. Thompson & Sons agency of Troy, N. Y., in the "Accelerator," published by the Boston and Old Colony, advocates systematic selling and outlines his "ratio" plan. He makes nine definite calls a day. That is, he talks to nine people about some definite line of insurance, which he thinks they need. He makes up his prospect list as follows: Three "cold" prospects never before solicited; three return calls involving prospects which he has seen before but not sold; three old customers on some new line of business. Mr. Thompson says that this gives an agent a change of scene and a definite program. He considers there are 250 soliciting days in the year and therefore he gains 267 new policies in that time. He attributes his success to constant solicitation with a definite objective in mind. Mr. Thompson feels that the haphazard day of insurance soliciting is passing.

Studies Approach to Prospects

His daily schedule forces him to outline his calls in advance and consider each one of his prospects before seeing one. This makes him study the prospect and approach him from some definite angle.

Mr. Thompson asserts he does not make nine calls, some perfunctory, just

to complete his schedule. He tries to do a good job, keeping a definite purpose in mind. Here is his formula:

- "Summing it up, I say:
1. Follow the "RATIO" 3-3-3.
2. Plan your calls carefully.
3. Hold to your schedule.
4. Remember the formula:
 $1 \times 3 + 3 + 3 \times 5 \times 50 = 2250$ calls in one year = Results.
5. Remember the slogan:
'At least one new policy a day.'"

Uniontown Board Formed

The Uniontown Insurance Agents' Association has been organized at Uniontown, Pa., as a coextensive branch of the Pennsylvania Association of Insurance Agents. John W. Combs was elected president; P. E. Gates, vice-president, and C. S. Bowman, Jr., secretary-treasurer.

President J. Donald Porter and Secretary J. R. Laughlin of the Connellsville board were guests at the Uniontown meeting. Manager Frank D. Moses of the Pennsylvania association assisted in the organization work.

New Jersey Rule Book

NEWARK, June 8.—The new book of class estimates, which has just been filed by the Schedule Rating Office of New Jersey with the New Jersey insurance department contains a number of important additions and revisions affecting the writing of fire insurance throughout the state. One of the most important changes is a credit which will be allowed

Today

Buyers of insurance are demanding the best. Realizing this the Twin City Fire has developed until it is able to serve them completely and satisfactorily in all their insurance problems.

"Writing fire, tornado, farm, automobile, hail, tractor, aeroplane damage, customers' goods, fine arts, fur coats, jewelry, fur floater, parcel post, registered mail, tourists floater, annual transit, trip transit, neon signs, merchandise sold under contract."

TWIN CITY

Fire Insurance Company

Minneapolis

Minnesota

tee for the coming year follows: Chairman, W. J. F. Reith, Edderton, Brydges & Waugh; vice-chairman, Hugh Holland, Oldfield, Kirby & Gardner; W. J. Blackburn, C. S. Gunn & Co.; W. G. Bower, W. J. Christie & Co.; W. M. McGeachy, Carter & McGeachy; Basil Baker, Allan, Killam & McKay, and R. L. Denison, Smith, Fess and Denison.

New Ontario Auto Committee

TORONTO, June 8.—Superintendent R. Leighton Foster of Ontario has appointed a committee to review the statements of automobile premiums filed by



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a big success...



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AT GRAND AVENUE

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GREATHOUSE,
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NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

100 William Street

New York City

FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY

companies. The committee is made up of the following companies: Toronto General, Pilot, American Automobile, Lumbermen's Mutual, Union of Canton, London & Lancashire, Dominion of Canada General, London Guarantee & Accident and Canadian Automobile Underwriters.

Incorporate Canadian Institute

WINNIPEG, June 8.—The Canadian Institute of Insurance, which conducts correspondence courses in Canada, has applied to the Manitoba legislature for incorporation. This definitely makes it a non-profit concern. Ow-

ing to the nature of its field, it is sometimes suspected of being a commercial enterprise. The incorporators are A. A. Cherry, F. R. Corbett, A. L. Ham, W. B. Lowry, E. P. Withrow, R. O. Taylor, N. J. Black, R. J. Parker, C. E. Chandler and T. E. D. Boys.

The Insurance Institute of Winnipeg has also applied to the Manitoba legislature for a charter of incorporation.

Appointed by Commercial Union

H. S. McCreary, formerly of the Norwich Union in Ontario, has been appointed casualty inspector for western Ontario for the Commercial Union group, with headquarters in Toronto.

MOTOR INSURANCE NEWS

Texas Auto Schedule Revised

Recommendations Being Considered by
Board—Average Fire Increase 15
Percent, Theft 3 Percent

AUSTIN, TEX., June 8.—Proposed revision of rates on automobile fire, theft and public liability insurance filed by insurance companies was considered at a hearing before the Texas board of insurance commissioners here last week. Last week the board overruled recommended increases based on 1931 loss experiences while the revised recommendations were based on a three year experience average.

W. A. Tarver, chairman, said it would be several days before the board acted on the revised recommendations.

The revised recommendations would decrease the automobile fire insurance rate 25 percent in Dallas, San Antonio, Fort Worth, El Paso and Houston. Rates in Beaumont, Galveston, Waco and Wichita Falls would remain at approximately the same levels with an increase of 40 percent generally in territories outside these cities. The average increase would be 15 percent.

Three Percent Theft Increase

Theft rates in Dallas, San Antonio, Houston, Wichita Falls, Fort Worth and Waco, under the revised filings would be reduced 8 percent while the general increase throughout the state would be 3 percent.

An increase of approximately 25 percent in the commercial automobile fire rates was recommended and a decrease of approximately 20 percent was asked in commercial automobile theft rates.

Increase of approximately 22.6 percent in private passenger automobile public liability rates and an increase of 40.1 percent in public liability rates on commercial vehicles were requested.

Reduction of 6.9 percent in property damage rates was recommended.

Representatives of warehouse and transfer operators made protest against increases in insurance rates.

Finance Operations Reviewed

Average Direct Loss Per Repossessed
Car Less in 1931 Than Any Year
Except 1925

The National Association of Finance Companies reports that the average direct loss per repossessed car in 1931 was less than any previous year except 1927. The repossession ratio for 1931 on both new and used cars, sold with standard down payment increased slightly over the previous year, the increase being less than one car per 100 transactions.

The average amount of notes purchased during 1931 was less than in any previous year except on new cars in 1925. This reflects the general reduction in prices of cars purchased.

The percentage of new cars sold on instalments during 1931 was almost ex-

actly the same as in 1929 and 1930. The percentage of used cars sold on instalments during 1931 was less than during any previous year. The total trade-ins, in percent of new cars sold, is the highest on record, but not materially higher than in 1930. On the whole, the showing for 1931 was more favorable than might have been expected under prevailing conditions.

Average Loss Reported

The average direct loss per repossessed car being financed on 12 or less monthly payments in 1931, was \$43 and for 13 to 18 monthly payments it was \$66. The percentage of repossessions of new cars with down payment of 33.3 percent, was 4.4 percent; with down payment of 25 percent it was 5.8 percent; with used cars, down payment 40 percent, it was 7 percent, and with used cars down payment of 35 percent or less, it was 14.6 percent.

The average amount of notes purchased in connection with new cars was \$554 and with used cars, \$268.

The percentage of new cars sold on instalments was 62.8 percent; used cars, 60.4 percent.

The percentage of trade-ins on sales of new cars was 80.2 percent and on sales of used cars, 46.7 percent.

Important Meetings Scheduled

NEW YORK, June 8.—Meetings of the directors of the National Automobile Underwriters Association, of its governing board, and its committee on finance business, are scheduled to take place during the week of June 20, while the staff committee of the organization is to gather here June 17-19. During the various sessions a determined effort will be put forth to reach conclusions upon a number of important matters that have been open for some time past.

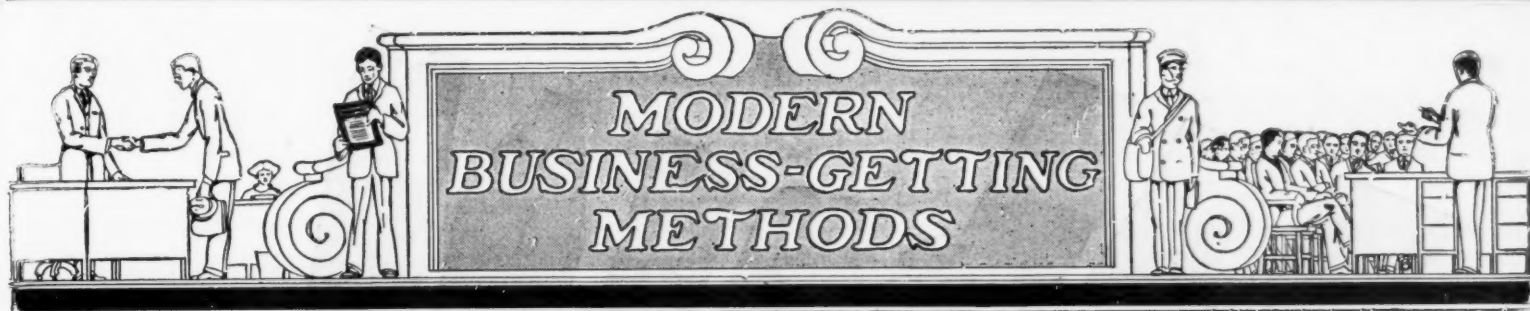
Took Data by Airplane

To supply certain additional data which W. S. Pope of the Texas insurance commission desired to review at the meeting in Austin, June 1, to consider proposed revised schedules for automobile insurance rates in the state, A. J. Donohue, actuary of the National Automobile Underwriters Association, left New York by airplane on short notice, reaching Austin in ample time to submit the material desired. The return journey was made by rail.

Issue Joint Auto Policy

SAN FRANCISCO, June 8.—The Fire Association of Philadelphia has completed arrangements with the Massachusetts Bonding for the issuance of a combination full-cover automobile policy. The new arrangement will enable agents of the Fire Association and allied companies to offer complete automobile service in one policy similar to that written with the Constitution Indemnity prior to its withdrawal from the Pacific territory.

Major George Kay, general manager Perth Mutual Fire of Stratford, Ont., died recently.



Operating Loss No Business Bar and Field for Use and Occupancy Open Now, Byrnes Points Out

R. H. Byrnes, head of the U. & O. department of the America Fore companies at the head office, delivered the following instructive paper on his specialty during Pennsylvania Insurance Days:

Nearly everyone with whom I talk on U. & O. these days is interested to know what is happening to the line. Is such insurance still acceptable? Are such policies still being written? Is there any new business being secured? "Yes," is the answer to all the questions. Naturally, premium income has suffered but there is still a large amount of use and occupancy insurance in force. Moreover, losses are occurring frequently, and being paid, during this depression.

There is nothing so odd about this condition, even that new business continues to be written. Not every business is operating at a loss and for those that are, there is usually a sizeable use and occupancy interest. In the normal past, few producers have been particularly active, with the result that there is still a vast field uncovered. Reduced surpluses and the difficulty of obtaining new capital may well threaten the survival of the business whose income is suspended because of a fire; hence, the importance of providing use and occupancy insurance during such times as these. It seems to me that this insurance, in a reduced amount perhaps, is now more necessary than ever.

Use and Occupancy Is Not Descriptive Term

In first presenting this coverage to a prospective purchaser, I have found the term use and occupancy anything but descriptive. Business interruption insurance is more comprehensive. Explain to your client that such a contract is really a substitute for his business; that during a period of suspension, partial or total, it is the purpose of this insurance to do for the stockholder exactly what the business itself would have done had no fire occurred. Net profits for that period, limited by the time to rebuild, repair, or replace the real and personal property described, are to be restored, and, in order to preserve those net profits for the owners, all normal operating charges and expenses, that necessarily continue during that same period, are to be met by the money obtained from this insurance.

Very often after a fire loss a business may purposely spend a large sum to hasten the return of normal production or sales. This additional expense, to the extent that it reduces the insurance company's otherwise loss under the policy, is covered, and it is not at all uncommon to find in the statement of loss accepted liability for such items as traveling expense, telephone and telegraph messages, overtime wages, express charges, additional cost of raw materials. Payment under this condition represents an ultimate saving to the insurer, but, nevertheless, I have found the purchaser interested and even attracted by this feature of the contract.

If, for the period of interruption, the business would normally have suffered a loss, the adjuster must reduce his estimate of the necessarily continuing operating charges and expenses by the amount of the agreed operating loss for that period. This is a simple interpretation of that condition of all use and occupancy forms in which payment for the necessarily incurred charges and expenses is limited to the extent only that they would have been earned had no fire occurred.

Operating Loss Is Not Brand New Phenomenon

I do not believe that there is anything in our printed use and occupancy forms that is so little understood. What will this contract do for an assured whose business is suffering an operating loss? That is not a new condition peculiar to the present. Even in normal times, a millinery store, for example, seldom had an income from sales sufficient to meet the operating expenses during February. During that month some money must be supplied from surplus to make up the deficit. If then, sales are suspended for that month due to a fire loss, the normal operating loss agreed upon must be subtracted from the sum of the continuing operating charges and expenses. If the agreed operating loss is \$3,000 and the continuing charges and expenses \$10,000, then obviously the assured's actual loss is \$7,000.

If an operating loss is anticipated the amount of use and occupancy insurance should be fixed accordingly. It is not true that a business not producing a net profit has no use and occupancy interest. The amount of insurance should be reduced correspondingly so that the purchaser of the insurance may not pay a premium on a larger amount of insurance than is necessary. The insurable interest still remains and the worth of the protection just as important; in fact, more important.

U. & O. Contract Is of Anticipatory Nature

After preliminary discussion, the prospect's first reaction is always concerning cost, which involves the rate and the amount of insurance. The rate is easily obtained from the middle department, but it is the amount of insurance that is sometimes difficult to estimate, and I know that has caused more delay in negotiation than anything else. It is best to call attention to the fact that use and occupancy, rather than covering tangible property, insures the profit and loss statement of the business (or part of it) and in that statement may be found the information on which the amount of insurance should be based. Our chart for the purpose of computing this amount, in fact, the work sheets of other companies, follows the outline of a business statement commonly used by merchants and manufacturers.

This contract is of an anticipatory nature, always looking 12 months ahead, so that it is hardly necessary to figure to the even dollar, or to the even hun-

dred dollars, for that matter. However, the experience figures of the past fiscal year must often be either increased or reduced in anticipation of what the budget for the ensuing year will show. Sometimes, from a knowledge of the customary margins that operating expense bears to operating income, it is possible to make a very close estimate. For example, many merchants do business on a 33 1/3 percent margin. In other words, 66 2/3 percent of selling price is absorbed in the cost of the goods that are sold. In that case 20 percent to 25 percent of annual sales usually represents the approximate amount of use and occupancy needed. This estimate should be revised by audit with the accountant or treasurer.

Once Form Is Selected Getting Rate Is Easy

It is not difficult to obtain the proper rate once the form has been decided upon. The rules provide the rates for mercantiles or non-manufacturing properties; the middle department publishes manufacturing rates, though it is possible to approximate what the published rate will be for the purpose of estimate. The selection of form is an important consideration. Some day, perhaps, the selection will be limited to two forms, one for merchants and one for manufacturers. That will greatly simplify matters.

I imagine that the present printed form, "A," steady per diem form, dates from the beginning of use and occupancy insurance. I have been told that originally it was the custom to insure only the continuing charges and expenses of the business (not net profits) without any regard to the time when those charges and expense were earned by production or sales. That, at least, explains the lack of earlier objections. We have now eight different printed forms.

Form A Will Fit Few Concerns Today, He Says

We do not ordinarily recommend form "A" because of its lack of elasticity. There are few concerns that it will fit today if its conditions are rigidly interpreted. This form provides insurance for one three-hundredth (or one three-hundred and sixty-fifth) of the amount of the policy for each business day. It is exactly as if there were three hundred specific policies (one for each business day), each for the same amount, and each covering the actual loss sustained, not exceeding the amount of that individual policy (the daily limit). The loss may not exceed the actual loss sustained, even though the limit be higher, nor may it exceed the daily limit, though the actual loss sustained be higher.

If the earnings are not distributed evenly over each business day, and they seldom are, the amounts in the form should be arranged to apply during the periods in which the net profit and operating expenses are earned. This accounts for the early origin of the fluctuating per diem form and fluctuating weekly forms for merchants. In the latter, the unit is seven days in order to provide for peaks within the week. Even with such improvements these forms proved a disappointment to many because it is practically impossible for a business to allocate production or sales to certain days or weeks 12 months in advance. This resulted in the agita-

tion for a form without any daily or weekly limit, except for the actual loss sustained during the affected period.

Now, we have the new coinsurance forms, sometimes called contribution form, "G" for manufacturers, and "H" for merchants. They are alike in many respects except for the usual difference in the treatment of stock replacement. These are the best that have been devised, and I believe that 10 years from now, with some modification perhaps, they will have replaced all of the others now in use. Their cost, particularly in the case of manufacturers, is at present a little more, but the improvement in coverage, in most cases at least, is well worth the expenditure.

New Forms Distinguished By Their Flexibility

These new forms are distinguished principally by their flexibility—no daily or weekly limit of any kind. The actual loss is payable as it can be shown that it occurs. The total and partial suspension clauses of the other forms, where the requirements for full insurance to value are found, have been replaced by a 100 percent coinsurance clause.

In each form the coverage is separated into two items, I and II, item I represents use and occupancy as we have always known it—net profits and the necessarily continuing charges and expenses. Any loss incurred during suspension for the expense of heat, light and power is assumed under item I, but the annual amount of such expense is excluded from the requirements of the 100 percent coinsurance clause—full coverage with a less insurance on which to pay premium.

Item II is optional with the purchaser—coverage on the ordinary payroll (labor or clerk hire which may continue for 90 days). This is to give a business the opportunity to preserve its entire organization for 90 days, at least. The rate on this item is 50 percent higher than that on item I because of the possibility of a relatively larger percentage loss. Care should be taken, when insurance is placed on this item, that the amount insured represents the payroll for the largest 90 consecutive days.

The cost depends upon the form, and the requirement for the amount of insurance needed is there set forth. This form has been generally accepted by all merchants because, with the 30-day stock replacement clause, rates applicable to item I are generally lower than for the per diem or per weekly forms with full stock replacement; and the time required to replace stock (merchants) is quite likely to influence the loss adjustment. This 30-day extension (in addition to the time it takes to replace the building, machinery and/or equipment) has been accepted by nearly all of the large merchants who use our forms.

Coinsurance Form for Manufacturers Analyzed

The coinsurance form for manufacturers has not been so generally accepted because the amount of insurance required, while not by any means over adequate to pay losses during short suspension of business, is usually more than it has been the common practice of business to provide. The 20 percent increase in rates for item I applied to the greater amount of insurance does

(CONTINUED ON LAST PAGE)

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CLARENCE T. GRAY, Asst. U. S. Mgr.

The National Underwriter

June 9, 1932

CASUALTY AND SURETY SECTION

Page Thirty-one

Many Live Topics Before Conference

Health & Accident Underwriters Assemble in Chicago for Annual Meeting

HEAR IVES, DON CARLOS

Unusually Large Attendance Is Attracted by Notable Character of Program Offered

The notable character of the program offered including discussions of some of the most vital problems of the business today, brought out an unusually large attendance for the annual meeting of the Health & Accident Underwriters Conference, which opened its sessions at the Edgewater Beach Hotel in Chicago Tuesday, continuing through Wednesday and Thursday. Nearly 100 people were on hand for the opening session and later arrivals swelled the registrations very materially.

Walter E. Webb, executive vice-president National Life, U. S. A., gave the address of welcome. He emphasized the point that the best way to meet the problems of today is for every man to give his earnest attention to solving his own individual problems, pointing out that the so-called supermen have all faded out and the experts have all been wrong in their guesses.

MacEwen Reviews Year's Work

President D. C. MacEwen in his annual address reviewed the accomplishments of the conference during the past year, citing the work done by some of its more important committees and making especial reference to the conference with insurance commissioners at Salt Lake City. He spoke of the effort of groups of companies, and particularly what is known as "quarterly premium" group, to agree on certain uniform phraseology and standard underwriting practices as one of the most encouraging signs of real progress. In that connection he suggested the possibility of forming within the conference special sections to study the needs of particular classes of accident and health insurance or special departments of the business.

Ives Hits "Santa Claus Idea"

H. S. Ives, special counsel Association of Casualty & Surety Executives, speaking on "The Santa Claus Idea of Government," attacked "the hallucination that something may be obtained for nothing through the magic hocus pocus of government." He declared that if the business men and property owners of America "do not unite to impress upon the people generally that there is a bottom to the nation's pocketbook, that bottom will soon be reached. They also must demonstrate that public employment at the expense of private enterprise always leads to the extinction

(CONTINUED ON PAGE 39)

New Departure in N. J. as to Company Liquidation

DEPARTMENT TAKES CHARGE

New York Method Being Followed in Winding Up New Jersey Fidelity & Plate Glass

NEW YORK, June 8.—The appeal of the New Jersey Fidelity & Plate Glass to W. K. Kelly, state commissioner of banking and insurance, to take over the company and liquidate its affairs, following the recent reinsurance of its entire business, save the fidelity and surety lines, constitutes a departure, in so far as retiring corporations of New Jersey are concerned, though the practice has been followed in New York for at least 15 years, with satisfactory results. When the Manufacturers Liability of Jersey City, failed in June, 1927, the court of chancery, named personal receivers, since which date no company of consequence has been wound up in the state.

The motive that inspired the passage of Section 63 of the New York insurance law, empowering the superintendent of insurance to take over for liquidation any corporation whose capital was badly impaired or which was otherwise unable to meet its obligations, was to conserve the assets of the institution for the benefit of claimants and stockholders, with speed and economy. Previously the custom had been to name individual receivers, a method that induced extravagance and a prolongation of the liquidation period.

Expeditious Liquidation

Under existing practice liquidation is effected by the department far more expeditiously and economically than would be possible under other conditions. The department possesses experts and the necessary machinery and is usually in a position to effect reinsurance, compel the collection of accounts and pass upon the merits of all claims with a minimum of delay. The cost of the service is based upon the time devoted to it, an accurate record being made. As a result the charge against each concern has been but a small percentage of what it would have been had the liquidation been undertaken by individuals.

The appointment of individual receivers in New Jersey created a scandal of such proportions a short time ago, as to result in the removal from office of a vice-chancellor and the direction by the chancellor of a sweeping survey of conditions revealed through disclosures in a section of the court.

The New Jersey Fidelity & Plate Glass has been ordered to show cause to the supreme court of New York county why Superintendent Van Schaick should not take possession of the company in New York State. The order was granted by Justice Ingraham.

C. H. Baker, one of the special assistant deputy commissioners of New Jersey in charge of the liquidation of the New Jersey Fidelity & Plate Glass, is in Chicago in connection with that undertaking. Outstanding balances of agents and brokers reporting to the Chicago office of the New Jersey Fidelity

Carter Urges Constructive Selling in Contract Field

ADDRESSES AGENTS OF TEXAS

F. & D. Manager at Dallas Urges Solicitation of Prospective Private Builders and Architects

In the contract bond field, the greatest opportunity for the agent is in connection with the erection of large office buildings, hotels, hospitals and private homes, according to Robert E. Carter, manager of the Fidelity & Deposit at Dallas, who addressed the annual meeting of the Texas Association of Insurance Agents at Amarillo. Almost never is constructive sales effort used in obtaining contract business, he said. About 95 percent of the contract bond premiums come from federal, state, county and municipal construction, on which bonds are required by statute, he pointed out.

Agents should watch for every opportunity to convince a prospective building owner and architect that the contractor should be bonded.

Mr. Carter enumerated many of the bonds which are desirable today. He mentioned, first of all, fidelity bonds, saying there is a fidelity bond to fit practically every need. He said that bonds on behalf of salaried employees are likely to be profitable to the surety, while bonds that are for commissioned employees are almost invariably unprofitable. This underwriting rule should be borne in mind.

Judicial Bonds

As to judicial bonds, he said that lawyers are the best prospects, although some business houses, especially furniture stores and others selling on the installment plan, have many bonds to place. The agent's activity should be concentrated on the solicitation of lawyers and the discouragement of personal sureties. Examination of the court records, he said, will disclose the names of many prominent citizens who are habitual personal sureties. The aggregate liability of each of these individuals should be determined and this should be pointed out to them. Plaintiffs bonds are less hazardous than defendants bonds, he said. Fiduciary bonds as a class are profitable and joint control may be used to counteract minor underwriting defects.

Bonds to indemnify banks against loss through the issuance of duplicate cashiers checks and certified checks, bonds to indemnify life insurance companies against the execution of duplicate policies and similar lost security bonds are frequently required. A recent source of these bonds has come through the loss of adjusted service certificates by world war veterans. They may be solicited in bulk by contact with the local post of the American Legion.

& Plate Glass amount to about \$300,000. One proposal that is being submitted to Mr. Baker is that the claims of clients of these brokers and agents be settled. If that agreement were reached, there would be a better opportunity for collecting the balance.

Improvement Noted So Far This Year

Casualty Loss Ratio 10 to 20 Percent Better Than 1931

FEWER BANK FAILURES

Salvage on Depository Bonds Will Bring Back Some Money—Compensation Bad

NEW YORK, June 8.—Discouraging as was the exhibit recently issued by the National Bureau of Casualty & Surety Underwriters, which revealed that upon earned premiums of \$610,633,234 of 68 companies reporting to the New York department last year, an underwriting loss of \$56,294,180 was sustained, many executives report that a pronounced improvement in the situation has occurred since Jan. 1. The overall combined loss and expense ratio for the first five months of the present year is said to be from 10 to 20 percent better than that for the same period of 1931.

Confidence is expressed that the same desirable result will continue through the rest of the year.

Executives are also heartened by the adoption of saner methods in home office and field administration. The cloud that has hung over the business has forced all managers to change many questionable practices, which would likely have been continued indefinitely had not the combination of excessive losses and shrinkage in security values, compelled survey of all factors and the cutting out of all needless expense. Premiums in large volume upon classes that had never proved profitable or even carried their own weight, were declined when offered for renewal, and relations severed with agencies handling risks of unprofitable character.

Surety and Compensation

The classes producing the greatest loss in 1931 were surety and compensation, the underwriting loss of the former being in excess of \$24,000,000 and of the latter over \$23,000,000. Automobile liability was not far behind with a loss of more than \$15,500,000.

The surety losses were the result of the unusually large number of bank failures in every section. The record of claims through these failures was unparalleled and may never again be approached. While many banks have been closing since Jan. 1, their number has grown steadily less.

While the liquidation of the great majority, if not all of the failed banks, will be a far slower process than would be true under normal business conditions, receivers being adverse to selling securities at too great sacrifice, there will eventually be salvages from this source, and such recoveries will partly offset the heavy underwriting losses of

the past two years. Depository bond-rates have been increased in recent months and this will help.

Compensation for years has been a source of heavy loss and some question whether the carriers can ever break even on it. In 1931 an average over all rate increase of 15 percent was charged. As the new rates went into effect in different states at varying periods, it will be months before their full influence will be felt. Compensation has attracted the attention for years of those seeking to devise a more equitable rating method. While plans, said to be almost revolutionary, are in the making they have not yet been completed.

Need Accurate Payroll Audits

One of the chief difficulties is the securing of proper payroll collections. Many assureds maintain two sets of records, one for their own use setting forth accurate figures, and another for submission to payroll auditors. It has been disclosed in certain cases that a third set of accounts is kept, from which revenue returns are made to the federal government. Attempts to bribe company auditors are not unusual, and occasionally an auditor is threatened with physical harm unless he agrees to juggle the figures. A feasible method that will insure full payroll collections has never been devised. The aggregate loss through this avenue is very substantial.

Conference With Agents

Joint conferences between representatives of the National Association of Insurance Agents, the National Association of Casualty & Surety Agents and the National Bureau of Casualty & Surety Underwriters have taken place recently regarding commission allowances, and further gatherings to the same end will be held in an endeavor to arrive at an understanding. Two years ago, when the National bureau proposed a graded scale of commissions for compensation business its application was checked through the opposition of the field men, one of whose contentions was that if assented to with respect to any particular line a dangerous precedent would be established for its extension.

In the light of the great changes that have taken place in the casualty underwriting field and in business circles generally since the fall of 1929, company officials are working hard to formulate a compensation rating structure that will incorporate factors not previously considered, or at least change the allocation of various cost factors somewhat along the lines suggested by the agents. When this data is assembled, a further joint gathering of managers and agents will take place and the whole subject reviewed.

Experience Is Totaled

An executive who is distressed by the compensation situation, has added the experience of companies included in the New York casualty experience exhibit for the past seven years, showing that they have experienced in that time an underwriting loss in compensation of \$99,529,455. The premiums during those years amounted to \$949,794,987 and the average ratio of underwriting loss to premium has been 10.5 percent.

The table by years is as follows:

	Premiums	Under Loss	Pct.
1925...	\$120,528,646	—\$11,260,933	—9.3
1926...	136,137,191	—11,675,092	—8.6
1927...	141,130,955	—10,478,896	—7.4
1928...	139,911,961	—8,078,904	—5.8
1929...	147,337,972	—16,503,750	—11.2
1930...	143,196,030	—18,269,748	—12.8
1931...	121,552,232	—23,262,132	—19.1
Total..	\$949,794,987	—\$99,529,455	—10.5

This executive believes that the experience constitutes one of the most colossal insurance disasters comparable in its effect to the San Francisco earthquake on the fire companies.

The recently issued schedule W figures of Wisconsin for 1931 and for the years 1928-1931, show there has been

Improved Fidelity Underwriting, Not Higher Rates, Urged

Better underwriting instead of increased rates was suggested as a cure for the fidelity loss situation in a talk at Pennsylvania Insurance Days by William J. Schiff of the Alliance Casualty and Indemnity of North America. His subject was "Principles of Fidelity Underwriting." He said that fidelity losses have increased to an alarming degree in recent times.

There are three divisions for the underwriter to consider in passing on the acceptability of a fidelity risk, (1) the employee, (2) position covered, and (3) the employer.

Underwriting Employees

Underwriting the employee means investigating their history for honesty, rejections by any surety company, addiction to drink, gambling, etc., debts and extravagances, and discrepancies in past employment record. An application from each employee is of great importance to the assured. Some employers not only insist on applications but they want to be sure that the surety company has made a real investigation. That is a large part of the value of the bond to them. In some cases, however, applications are not secured. This is chiefly on large risks which justify the expense of an independent investigation.

Inside positions are generally satisfactory and mostly fall into the unclassified list in the manual. Outside positions are hazardous for the fidelity company. Generally speaking, the classified lines are the hazardous ones and are not much desired by fidelity companies, which will only write them as a rule when combined with a good inside coverage. Salesmen, canvassers, drivers and collectors embrace the bulk of the outside business.

Branch Managers Vary

Branch managers in some circumstances make as good subjects as other inside risks, but on the other hand they may be especially hazardous. This is particularly true of "one man" branches.

The employer is the third subject for underwriting investigation. The underwriter wants to know what class of business, amount of liability involved, kinds of positions covered, past loss experience of employer, and auditing system used by employer. "When you see a risk especially classified, you will know that almost invariably it is a danger signal," said Mr. Schiff. A schedule built up entirely of outside positions would in the main be undesirable. The auditing system is of great importance.

Forsyth at Los Angeles

LOS ANGELES, June 8.—Robert W. Forsyth, Pacific Coast manager for the Indemnity of North America, spoke at a luncheon-meeting of the Southern California Acquisition Cost Conference Monday, discussing further developments in the proposed conference. A. I. Zimmerman, American Surety, chairman of the conference, presided.

an underwriting loss of 13.4 percent for the stock companies in that state. In amount, the loss has been \$1,300,998.

The expense allowance in Wisconsin for stock companies is about 38 percent, so there should be a permissible loss ratio of 62 percent. The actual loss ratio is 69.5 percent over the four years. Total expenses have been 43.9 percent, increasing from 42.2 percent in 1928 to 46.8 percent in 1931.

This critic believes that part of the blame rests with the companies. The rate making plan has led all the companies astray, he believes. So involved is the rate making plan, he declared, that few insurance men really understand it.

New Manager Appointed for Michigan State Accident Fund

BANKER HAARER NOW NAMED

Change Is Made Because of Sharp Criticism of the Conduct of Some Solicitors

LANSING, MICH., June 8.—Relatively conservative management of the state accident fund, state-sponsored workmen's compensation carrier, is believed by insurance men to be assured by the appointment of J. W. Haarer, former Lansing banker, as manager of the fund. The advisory board of the fund, made up of representatives of insured employers, made the appointment on recommendation of Gov. Brucker and members of the state administrative board.

Succeeds R. M. Watkins

Mr. Haarer fills the place vacated some months ago by R. M. Watkins of Grand Rapids, who resigned during an investigation of the fund's affairs after charges had been preferred by two legislators that unfair competitive methods were being used in solicitation of business. Governor Brucker announced at that time that the fund's rates would be revised upward and that certain employees, mainly the offending solicitors, were being let out to effect economies of administration. K. F. Berger was made acting manager at that time.

The governor declared the fund to be solvent but refused to reveal its exact financial condition. Insurance men had been up in arms at the raid on their compensation business by the state fund solicitors who, it was charged, were not only cutting rates ruthlessly but representing to employers that the state treasury stood behind it, a claim which has no foundation in fact as the fund must, by statute, be entirely self-supporting. Mr. Haarer was engaged in the insurance business a score of years ago. He was executive vice-president of the City National Bank here until its purchase last December by the Capital National Bank.

Vote to Reduce Capital

The stockholders of the United States Fidelity & Guaranty this week voted in favor of the proposal to reduce the par value of shares from \$10 to \$2, thus cutting the capital from \$10,000,000 to \$2,000,000 and transferring \$8,000,000 to surplus.

Confer in Pennsylvania

General Manager Beha of the National Bureau of Casualty & Surety Underwriters and W. P. Cavanaugh, manager of its claim department, are at Harrisburg this week conferring with Insurance Commissioner Armstrong regarding an agreement on final policy forms which have been under consideration.

Made Production Manager

W. H. Wunner has been appointed production manager of the Eagle Indemnity. Since November, 1922, he has been treasurer and in April, 1926, was elected secretary of the Royal Indemnity, running mate of the Eagle Indemnity. In the old days he was associated with the Frankfort General in its various departments.

Surety Conference to Meet

The conference on acquisition and field supervision cost of fidelity and surety business has called a meeting in New York City June 14 to consider the application of rules to a number of states. So far the conference has devoted its activities largely to New York.

Preferential Auto Rate for Wisconsin Farmers Sought

MADISON, WIS., June 8.—Commissioner Harry J. Mortensen has taken under advisement the appeal of a number of non-conference and mutual automobile liability insurance companies for permission to grant a preferential rate to farmers and will study the record of appearances before deciding on the petition. A conference was held by the commissioner with company representatives last week to hear both sides for and against the granting of reduced premiums for farmers' risks on pleasure cars but not including farm trucks.

C. L. Stillman, president Wisconsin Automobile, declared a compiled experience in farm pleasure car policies showed a loss percentage of only 26.1 percent, indicating that rural drivers are less a hazard. He said the figures he had compiled included about 40,000 cars and a period of one to seven years.

Argument against the proposed preference was voiced by R. C. Mead, National Bureau of Casualty & Surety Underwriters. He said that while the farmer may not use his car as much during the touring season, he is out more than ever in the fall and winter when driving conditions normally are more hazardous. Experience in other states, he asserted, shows that in recent years there has been a leveling off of insurance experience as between urban and rural car use, and that Wisconsin already has a territorial preference sufficient for the need.

Lincoln Lloyds Reinsured by the Fort Dearborn

The business of Lincoln Lloyds of Chicago has been reinsured by the Fort Dearborn of Chicago. Under the arrangement policies are bound by the Fort Dearborn as of May 1. Whether the Fort Dearborn will take care of claims arising prior to May 1 has not been decided. The license of the Lincoln Underwriters Corporation, attorney-in-fact for Lincoln Lloyds, has been revoked. The Lincoln Lloyds had about \$50,000 of business at the time of the reinsurance. J. W. Stamper was president of the Lincoln Underwriters Corporation. He is also head of the Physicians Protective Casualty of Chicago, which has been referred to the attorney general for liquidation. None of the personnel of Lincoln Lloyds will be taken by the Fort Dearborn. Both Lincoln Lloyds and the Fort Dearborn are automobile specialists.

Belson Back on Job

Resumption of activities of the Wisconsin Insurance Federation will begin immediately following announcement by President W. M. Wolff that W. W. Belson has returned to duties as executive secretary. Mr. Belson has been on leave of absence since Jan. 1, and in the interim organized the Wisconsin Allied Truck Owners' Association. President Wolff said the Wisconsin situation is critical, there being much impending fire, casualty and surety legislation, as well as possible life insurance proposals which, if enacted, would be disastrous. Mr. Belson's fine record in helping to defeat much inimical legislation in Wisconsin for many years prompted his recall to active duty.

No Recovery for Willful Injury

Under a landlord's public liability insurance policy covering injuries "accidentally sustained by any persons not in the employ" of the insured no recovery may be had for a willful injury inflicted upon a third party by the insured, the Massachusetts supreme judicial court has ruled in the case of Sontag v. Galer et al.

Towner Quotes Tariff on Two Big Federal Projects

COMMISSION IS 10 PERCENT

Rate on \$6,000,000 Hoover Dam Tunnel
Bond \$16—on Coast Range
Tunnel \$11.65

NEW YORK, June 8.—Bids for the construction of a tunnel for the Hoover Dam, in Arizona and two adjoining states, will be received by the Bureau of Reclamation, at Denver, June 15. The estimated cost is from \$6,000,000 to \$7,000,000; while the time allowed for completion varies under the different schedules, the range being from 550 to 1,975 calendar days. For the performance bond which will be required in an amount not less than 20 percent of the estimated aggregate payments, the Towner Rating Bureau has named a rate of \$16 per \$1,000 on contract price for the term. Interesting is the notice that "a business production cost of 10 percent has been determined upon for the line" by the Fidelity & Surety Acquisition Cost Conference.

The business still recalls the furore that was created through the allowance of five percent commission on the major part of the Hoover Dam line and the difficulty in determining what agencies were entitled to compensation. Some companies declined to pay commission to anyone while other offices recognized an obligation to the agency force and settled with them.

Another Large Project

Another large project upon which surety companies will be called upon to furnish indemnity, will be the Coast Range tunnel of the Hetch Hetchy aqueduct, bids for which were opened by the public utilities commission of San Francisco June 6. The cost is estimated from \$3,500,000 to \$5,000,000, and will require two years for completion. For the performance bond, which will be at least 50 percent of the contract award, the Towner bureau has promulgated a rate of \$11.65 for the term.

Aside from federal contracts, construction work, for which surety bonds are required, are few and far between, most states, counties and municipalities that normally would be undertaking highway and other public improvement enterprises at this time, being more concerned in financing work previously obligated for.

Perry Claims Service Extends Its Adjustment Activities

The Perry Claims Service in the Southwestern Life building at Dallas announces the connection of Dallas T. Mason as manager of its surety and compensation departments. He was formerly claims attorney for the Southern Surety, his service with the company covering 16 years. He located in Dallas 10 years ago to take charge of the Southern Surety's claim department for southern territory. At the same time he supervised the claim department of the Sinclair Oil Company, specializing on surety and compensation. He has a wide acquaintance among the insurance people of Texas.

The Perry Insurance Claims Service plans to open offices in all the principal cities in the state. C. Perry is head of the organization. It already has branch offices at Fort Worth, El Paso, San Angelo and Wichita Falls. Mr. Perry has had more than 20 years' experience in the handling of automobile and other casualty claims.

The Shelby Mutual Plate Glass & Casualty, Shelby, O., has been licensed in Arkansas. Lewis & Norwood, Little Rock, are state agents.

Does Production Work for Offices on Syndicate Plan

NEW SCHEME IN CLEVELAND

Sales Source Development Co. Will Represent Fire, Casualty and Surety Companies in Appointing Agents

CLEVELAND, June 8.—The Sales Source Development Co., 330 Fidelity building, here, is in the business of establishing agency connections for companies on a commission basis, a new idea of its kind. To date it is operating in New York, Pennsylvania, West Virginia, Kentucky, Ohio, Michigan and Indiana with further expansion of territory under consideration. Casualty, surety and fire connections are being made for companies in these fields with payment being taken in commissions on business written through the agencies contracted.

E. C. Tremaine, Cleveland promoter, and Ralph A. Person, well known insurance man, were the original principals but Mr. Tremaine has withdrawn from the enterprise and F. L. Dempsey, formerly in the sales promotion business here, has taken his place. The Sales Source Development Co. also establishes sales contacts for such merchandise as refrigerators and similar products. Mr. Person is handling the insurance end exclusively while Mr. Dempsey handles the mercantile end. Mr. Person has traveled extensively through the states where he operates and knows the agency situation here. He was with the Ocean Accident as field supervisor for ten years and has also been connected with the Standard Accident and the Independence Indemnity. According to Mr. Person, they may later increase their services to companies beyond the establishment of agency contacts.

Tangle of Claims Is Found in Failure of Reciprocal

LANSING, MICH., June 8.—Interpretation of the insurance code relating to reciprocals, concerning which there is a dearth of decisions, is expected to result from the case of the American Casualty Underwriters of Muskegon, an automobile exchange found hopelessly insolvent more than a year ago by department examiners. G. G. MaDan, receiver in charge of liquidation deputized by Commissioner Livingston, said test cases will be started soon to establish Michigan precedents. Outstanding obligations amount to about \$50,000. A hearing on approved claims was held June 1 in Ingham county circuit court here, and June 22 has been fixed for hearing claims which have not been approved.

The receiver would like to levy an assessment against subscribers, but there are many complications. Most of the policies contained a limited liability clause, which, however, was cut out a few months before the receiver was named. About 50 members had contracts when the exchange failed which were of the unlimited liability type. Mr. MaDan cannot see how any court in equity could hold these few policyholders liable for the great burden of the exchange's debts.

There is a large volume of "third party" claims. Mr. MaDan considers it improbable the courts would hold that subscribers can limit their liability relative to this class of claims.

The Aetna Casualty & Surety signed for McCloskey & Co. of Philadelphia, a contract bond of \$3,900,000 in favor of the United States government covering the new postoffice department building to be built at the corner of 12th street and Pennsylvania avenue. N. W., Washington.

Rose Made "Landis" of Baltimore Taxi Business



H. L. ROSE

BALTIMORE, June 8.—At the request of Commissioner Walsh, H. L. Rose, Baltimore adjuster and former most loyal grand gander of the Blue Goose, has undertaken the formation of a taxicab organization here, which will endeavor to reduce the number of accidents in which taxis are involved, by making a standard rate schedule, establishing a chauffeurs' clearing house, through which all drivers will be secured, and exercising a general supervision over the business. An organization meeting was held last week at which 487 taxicab owners joined the association, which is known as the Taxicab Operators Association, and agreed to abide by its rules and regulations.

Rules so far adopted include that no taxi driver shall be under 21 years old; that a uniform fare rate of 25 cents for the first 2 miles and 5 cents for each additional third of a mile be charged, and that no client of one insurance company will be allowed to change to another company during the life of the policy.

There are now 1,450 taxicabs operating here under permits from the public service commission and it is proposed to reduce this number to 1,000. Losses on taxicab insurance here showed a big increase since compulsory insurance became effective Jan. 1, some of the companies reporting losses as high as 90 percent and it was with the object of making rules and regulations which will cut down these losses that Commissioner Walsh designated Mr. Rose to act as the "Judge Landis" of the taxicabs.

Plan Virginia Rate Bureau

All companies writing automobile business in Virginia have been invited by Commissioner George A. Bowles to attend a meeting in Richmond June 16 for the purpose of organizing a bureau to set rates for automobile liability and property damage, as provided for under the new law which goes into effect on June 20.

This law, passed by the last legislature, gives the commissioner supervision over liability rates, which his office lacked under the old law.

All Records in New York

All furniture and records belonging to the Constitution Indemnity of Philadelphia, control of which company was recently purchased by the Lloyds Casualty of New York, have been removed to the latter city, and placed in the offices vacated by the Franklin Surety some months ago, when that company too was taken over by the Lloyds Casualty.

J. A. Lawler Secretary of the Chicago Glass Bureau

OFFICES ARE BEING OPENED

Signatures of 30 Companies Secured on Agreement—Organization to Function Soon

John A. Lawler, Chicago broker, who for 15 years was manager of the plate glass department of the Globe Indemnity in that city, has been selected as secretary of the Cook County Plate Glass Insurance Bureau, according to announcement of E. I. Fiery president of the bureau. Quarters have been contracted for on the seventh floor of the Insurance Exchange and the bureau will soon be in active operation. Mr. Lawler will be a full time employee.

Those companies which have signed up as members of the bureau are the Aetna Casualty, American Surety, Bankers Indemnity, Columbia Casualty, Commerce Casualty, Commercial Casualty, Eagle Indemnity, Fidelity & Casualty, General Indemnity, Glens Falls Indemnity, Globe Indemnity, Hardware Mutual Casualty, Hartford Accident, Lloyds Casualty, London Guarantee & Accident, Lumbermen's Mutual Casualty, Maryland Casualty, Massachusetts Bonding, Metropolitan Casualty, National Surety, New Century Casualty, New York Casualty, Norwich Union Indemnity, Ocean Accident, Phoenix Indemnity, Royal Indemnity, Standard Surety & Casualty, Travelers Indemnity, United States Casualty, and Zurich.

One of Mr. Lawler's functions will be to induce other companies to join.

Michigan Auto Insurance Situation Still Unsettled

LANSING, MICH., June 8.—Following two conferences in Detroit, another meeting of the special rate stabilization committee of a group of Michigan automobile carriers is expected to be held this week. One meeting was with representatives of National Automobile Underwriters Association companies which are understood to be considering a rate increase in Michigan, probably confined to collision. No definite agreement was reached, it was said. Meanwhile the Interinsurance Exchange of the Automobile Club of Michigan, which is not a party to any of the conferences, continues to advertise extensively that it is taking on business at the "lowest automobile rates ever offered in the United States." The reciprocal is the largest writer of auto business in Michigan and does as great a volume as all of the N. A. U. A. companies combined.

Public Utility Held Liable

The need of public utilities for liability cover against claims arising from service or lack of it is emphasized by a decision of the Kentucky appellate court that a water company which has contracted to furnish a supply of water must answer in damages to a citizen for loss from fire resulting from its failure to perform its contract. The decision was on appeal of a case in which the Farmers' Cooperative Stock Yards Co., Mt. Sterling, Ky., suffered \$35,000 loss in October, 1928, when its pens and barns covering a city block were burned. Later suit was filed for \$28,000 damages against the Kentucky Utilities Co. charging low water supply. Judgment of \$10,000 was awarded. The utility company on appeal claimed that the rule permitting a private citizen to maintain action against a water company was unsound and should be reversed. Clear evidence was shown that water supply was inadequate.

RESPONSIBLE AGENTS

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AUTOMOBILE AND LIABILITY
INSURANCE

NEWS OF THE COMPANIES

Success in Six Months Plan

Belt Casualty of Chicago Endeavors to Make It Easier to Pay for Insurance

The Belt Casualty of Chicago is showing fine progress these days and has made a number of new contacts since it has moved its office to the loop, taking quarters at 29 South La Salle street. The company is well managed and is specializing on automobile insurance, writing a full cover policy. Its people are trained to give expert advice on automobile coverage. It is meeting with excellent returns on its six months' plan. It will write a policy for six months and then renew it for a similar period. President C. M. Nichols finds that many people can stand a six months' premium but could not pay an annual premium. It eases the payment situation. The Belt simply charges 50 percent of the annual premium and does not load it for the semi-annual plan.

Wisconsin Department Is Concerned Over Connection

MADISON, WIS., June 8.—That the Home Indemnity of New York will be under scrutiny by the Wisconsin department to determine whether there is a close connection between it and the defunct Southern Surety is indicated in a letter sent by the department to E. H. Miller of Madison, who for many years represented the Southern Surety. Last Friday hearing was held before Commissioner Mortensen regarding the connection at which Mr. Miller was one of the principal representatives. It was pointed out that the Home Indemnity was a separate corporation which had taken over most of the business of the Southern Surety, which recently failed. Mr. Miller said that records so far did not indicate a connection which made the Home Indemnity liable.

A letter, however, was sent by the insurance department to the Home Indemnity and to Mr. Miller. "I am not at this time prepared to say whether this is sufficient to warrant any criticism against you by the Wisconsin department," declared Commissioner Mortensen. "It does, however, appear to me that the relationship is sufficiently close to cause your company some concern in respect to its future business in Wisconsin."

Tuells, Western Manager Liberty Mutual, in New Job

Lewis F. Tuells has resigned as vice-president and western manager of the Liberty Mutual to become general sales manager of the Illinois Manufacturers Mutual Casualty in charge of production. He has had 20 years experience in workmen's compensation insurance. In 1912, he helped organize the Liberty Mutual.

J. B. Meehan of Milwaukee, who has been in the insurance business for about 15 years, has also joined the Illinois Manufacturers Mutual Casualty. He is manager of the automobile department.

C. T. Noble, general manager, states that the company ended the first quarter with a net underwriting gain of \$34,659 over the same period in 1931. He states that the new premiums written during the first quarter exceeds that of the first quarter of 1931 by 33 percent. He reports that the company had a surplus and voluntary reserve as of April 30 of \$459,805.

Mr. Noble has been interested in the occupational disease hazard of Illinois

and has caused all policyholders of the company to be solicited in behalf of the attachment of an endorsement to policies definitely covering that hazard. Heretofore, the Illinois Manufacturers Mutual Casualty has offered this endorsement when the issue arose, but now the company demands that either this endorsement or an endorsement specifically excluding coverage for occupational disease be attached. The charge for the endorsement providing coverage is 5 percent, and the rider reads:

"In consideration of an additional premium of 5 percent of the total gross premium for the policy to which this endorsement is attached, it is understood and agreed that this policy is extended to cover the liability that may be imposed by law upon the employer for injuries to health, including death, from occupational diseases contracted during the term of this policy, provided, however, that the liability of the company under paragraph 1 (b) shall be subject to a limit of \$5,000 with respect to each employee so injured."

The endorsement excluding coverage reads: "It is understood and agreed that the policy to which this policy is attached does not cover any liability of the assured for occupational diseases contracted by employees of the assured, unless such diseases result directly from accidental injuries within the meaning of the workmen's compensation act."

Promotion Strikes Snag

Promotion of the Old Ironsides Guaranty by A. L. Sarra & Co. of Chicago has struck a snag. The Illinois department has declined to approve a form of subscription agreement until after a hearing is conducted in connection with a circular which Mr. Sarra prepared to describe the purposes of the projected company. The intention is to organize the Old Ironsides Guaranty principally to write depository bonds covering private as well as public funds. Mr. Sarra states that the circular, which the Illinois department questions, was carefully drawn so as to comply with the law and he takes issue with the Illinois department in declining to approve a form of subscription agreement.

Belt Casualty Changes

V. C. Bosworth, secretary of the Belt Casualty of Chicago, who has been in charge of the claim department, has been elected secretary of the Belt Fire and Belt Underwriters, and transferred to the Pacific Coast at Los Angeles in charge of the companies' claim work there. F. W. Reinhardt, attorney, has been appointed superintendent of claims in the Belt Casualty's home office at Chicago to succeed Mr. Bosworth in that capacity, and Edgar Vanneman has been appointed assistant secretary to take care of Mr. Bosworth's other home office duties. It is probable Mr. Bosworth will not remain permanently on the Coast.

Continental Casualty Dividends

The Continental Casualty of Chicago after paying \$280,000 as regular quarterly dividends in January and March passes the third quarterly dividend, President Behrens explaining that it is the part of wisdom to conserve the resources and defer dividend action until it can be based on conditions existent at the close of the year rather than to take action now in anticipation of what it is hoped and believed will take place in the way of stabilization of values and improved financial conditions. The directors, as President Behrens points out, feels that postponement strengthens the financial base of the institution and places it in a more favorable position to

take advantage of the turn which ultimately must come to pass in business conditions.

The Continental Assurance, its running mate, declared the usual quarterly dividend of 50 cents a share.

Motorists Casualty Revived

NEWARK, June 8.—With approval of the New Jersey insurance department, the charter of the Motorists Casualty, of Newark has been revived. Outstanding liabilities were reinsured with the Associated Indemnity as of Nov. 1, 1931, the Motorists Casualty acting since that time as general agents for the Associated Indemnity in New Jersey.

The Motorists Casualty was organized several years ago to insure members of the Motor Club of New Jersey at a rate under manual, does not plan to write business direct until about Sept. 1. It will have \$100,000 capital and \$50,000 surplus. There will also be a slight change in personnel.

Launch New Iowa Mutual

DES MOINES, June 8.—The Motor Carriers Mutual of Des Moines has filed articles of incorporation. Ralph E. DeMaris, general agent here for the Columbian National Life, is president; J. R. Bleakley, vice-president, and Leslie S. Bleakley, formerly with the Iowa insurance department, secretary-treasurer. Leslie Bleakley will be in active charge of the new company, which plans to write liability and property damage insurance on trucks and trailers operating under the Iowa motor carrier law. Fire and theft insurance will be handled incidental to the other business.

Fidelity-Surety Activities

Watch Long Term Contracts

Surety Companies Are Studying Conditions Where Work Extends Over a Considerable Period

Surety companies in writing contract bonds are watching all trends very closely especially when it comes to prices. Material prices are down considerably. In most instances labor cost is greatly reduced. Contractors therefore are bidding on going prices. The work may extend itself into the future. If existing conditions continue the contractor can go ahead without danger. If, however, there should be an upturn the contractor may be caught and forced to pay higher prices for material and labor. Companies, therefore, are watching the big jobs which may not be completed for perhaps two or three years. During that interval there may be changes of a material nature unless a contract has been entered for material guaranteeing prices for the job until completed.

N. C. County Law Void

The North Carolina supreme court has held unconstitutional and void a local public law applicable to one county in that state which provides that a contract bond for private enterprise must be written with the same provisions for the protection of laborers and material men as are required in bonds for municipal construction, under C. S. 2445, and that such provisions must be conclusively presumed to be written therein and must be given with a corporate surety licensed in North Carolina. This law, according to the supreme court, is in contravention of art. 1, secs. 7 and 31 of the North Carolina constitution prohibiting exclusive emoluments or privileges except in consideration of public service and prohibiting monopolies, the statute failing to operate uniformly and equally in giving special

privilege to the residents of the particular county and imposing heavier burdens on certain sureties. The case was J. O. Plott Company vs. H. K. Ferguson Company, et al.

Rival Groups' Field Day

The annual joint field day of the Chicago and Milwaukee surety underwriters associations will be held June 9 at Wilmette county club, north of Chicago.

Surety Underwriters Outing

NEWARK, June 8.—More than 100 members and guests attended the annual

outing of the Surety Underwriters Association of New Jersey on Tuesday at the Spring Brook Country Club near Morristown, New Jersey. There were a number of sports events, including golf and tennis.

Award Accident Reduction Cup

BALTIMORE, June 8.—George P. Brack, safety engineer in charge of the Baltimore office, with an average of 98.3 percent, was the 1932 winner of the accident reduction cup of the Maryland Casualty for making the best showing last year. The cup, donated by Holger Jensen, manager of the engineering and

rating division, is retained in the possession of the winning supervisor for a year.

The five leaders were: Baltimore, G. P. Brack, 98.3 percent; Milwaukee, H. E. Burnup, 97.8; St. Louis, H. L. Burrill, 97.5; Memphis, John Hanks, Jr., 97.4; Kansas City, J. E. Baldwin, 97. Previous winners of the cup were: 1929, T. C. King, Charlotte, N. C.; 1930 and 1931, F. J. Allen, Montreal.

License of the **Giant Onks Association** of Tulsa, a fraternal, has been cancelled by the Oklahoma insurance board, due to alleged insolvency. Commissioner Read estimated that it had about \$4,500 in unpaid claims. The association wrote life, health and accident insurance.

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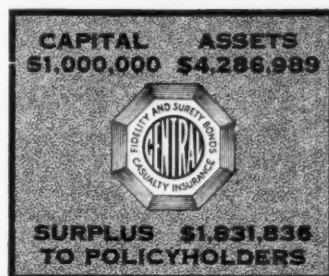
Nearly a quarter century of "friendly service" and time-tested stability has placed this Company permanently among the seasoned insurance organizations of the country. Now operating in all but five states, it offers exceptional opportunity to Agents almost everywhere who wish to "Centralize."

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CHANGES IN CASUALTY FIELD

U. S. Casualty Branch Change

**Eldredge Again General Agent in Chi-
cago—Casualty Department Discon-
tinued—Scheemeacker Bond Head**

A change in set up of the Chicago office of the United States Casualty is announced. C. H. Eldredge, who has been resident vice-president in charge of the branch, is restored to his former status of general agent. The bond department under M. J. Scheemeacker as manager and T. E. Dunne as assistant manager, the inspection department and the claim department under R. T. Luce are being retained. The casualty department, of which Grant M. Rhode was manager, is being discontinued. Present offices in the Insurance Exchange building are being retained.

Mr. Eldredge has been connected with the United States Casualty for 37 years. Until 1931 he was general agent, but in that year the branch was started and he was placed in charge. Mr. Scheemeacker has heretofore been manager of the branch and Mr. Dunne head of the bonding department.

Mr. Scheemeacker is at present in Lake View hospital in Chicago recovering from an appendectomy.

Louis E. Golan Appointed U. S. F. & G. General Agent

Louis E. Golan has been appointed general agent at Chicago for the United States Fidelity & Guaranty for all lines. Mr. Golan will retain the entire 38th floor of the Foreman Bank building, which he shared with the Chicago office of the Public Indemnity, until he resigned his connection as resident vice-president and general agent of that company recently. Mr. Golan is a leading political figure of Chicago, being prominently identified with the William Hale Thompson organization. His quarters are the former administrative offices of the Foreman bank executives and are luxuriously appointed.

Albany Branch Opened

The Massachusetts Bonding recently established a new branch office at Albany, N. Y., with F. R. Eaton as manager and Donald MacDonald as assistant manager. Mr. Eaton was in the Travelers branch office at Albany for six years and then organized a branch office there for another company.

Mr. MacDonald has been with the Massachusetts Bonding about two years. He was connected with the Boston metropolitan department.

Get Ocean Accident in Atlanta

Whitner & Co. have been appointed general agents for Atlanta and vicinity for the Ocean Accident. The Whitner & Co. agency is one of the oldest in Atlanta, having been founded by Maj. J. C. Whitner in 1865. The grandsons of Major Whitner are now operating the agency.

W. H. Caudill in New Post

W. H. Caudill has again become connected with the Massachusetts Bonding. He resigned recently as vice-president of the Constitution Indemnity in charge of claims. He now represents the executive department of the Massachusetts Bonding. For several years he represented the Massachusetts Bonding in the southwest on claim and legal work.

Marcy Joins New Company

LOS ANGELES, June 8.—George D. Marcy, fidelity and surety un-

derwriter of Los Angeles, has joined the executive staff of the Benjamin Franklin Bond & Indemnity, which was recently organized with its home office at Phoenix, Ariz., and its principal business office in Los Angeles. After organization of the home office at Phoenix and a branch office at San Francisco, Mr. Marcy will return to Los Angeles and assume charge of underwriting, which will be handled from this office. He has had about 30 years of experience in this line, having been with the National Surety and Federal Surety since coming to southern California.

Transferred to Home Office

J. W. Hartley of the Detroit office and Garland P. Moore, assistant manager of the Birmingham office, have been transferred to the home office of the United States Fidelity & Guaranty as field assistants in the development department.

Assigned to Mountain Field

DENVER, June 8.—John M. McQuaid of the Royal Indemnity, who for the past five years has been on miscellaneous assignments in the mid-continent territory, inspecting risks and making audits, will in the future cover the mountain field exclusively. His headquarters will be with Standart & Main here.

Leo Kiouss Claims Manager

Leo Kiouss, formerly of the Standard Accident, has been appointed claim manager for the American Preferred Risk Underwriters of Chicago succeeding Fred Hanson.

Barr With Mercer Casualty

E. E. Barr has been appointed claims manager of the Mercer Casualty in southern California, with headquarters in Los Angeles agency. Mr. Barr was formerly with the claims department of the American Automobile and the former Union Automobile & Casualty.

Casualty Changes Notes

W. S. McClain of Denver has been appointed general agent of the Commercial Casualty.

The following general agencies of the Maryland Casualty have been discontinued: Asa T. Matthews, Oakland, Md.; R. Walker, Fort Smith, Ark.; Francis, Francis & Trivette, Pikeville, Ky.

To Consider Unemployment Insurance Plans on June 14

MADISON, June 8.—Manufacturers who have already put into operation plans for unemployment benefits will have their schemes considered at a special meeting of the advisory committee which has been called here for June 14 by the state industrial commission. Before the end of the month, plans for unemployment insurance will be submitted in graduate form to the different manufacturers of the state.

Unless the legislature changes the date, the compulsory insurance scheme will become operative in Wisconsin one year from July 1. Unless manufacturers employing 175,000 employees have come within the law voluntarily, the plan will become mandatory.

A. J. Altmeyer, secretary of the state industrial commission, said today that drafts of a standard unemployment compensation benefit plan, a standard guaranteed employment plan, and a statement of allowable variations from either of these plans will be ready for distribution before the end of the month. There are some indications that if the depression continues, the time when the law should become effective may be postponed another two years.

ACCIDENT AND HEALTH FIELD

Subscription Selling Taboo

Commissioner Warner of Ohio Holds Combined Policy-Newspaper Cut Rate Plan Illegal

Commissioner Warner of Ohio has ruled that an insurance agent, who is also an employee of a newspaper, cannot sell insurance policies with subscriptions to the newspaper at a lower rate than the prescribed premium without violating the anti-rebate law. In the case in question the agent was in the employ of a Lorain, O., newspaper. In commenting on the situation, Mr. Warner said: "It is not so much a question of selling insurance, as selling subscriptions to newspapers. It appears that we have licensed people to sell newspaper contracts rather than bona fide insurance salesmen. It is not our purpose to do so. If the agent in soliciting insurance would offer to give a subscription to the newspaper, in addition to the policy at regular rate, same would be rebating and offering an inducement, and in violation of law; the primary object being to increase the newspaper business rather than the insurance which is incidental.

"The other way around then is to offer an inducement to become a subscriber by practically giving a policy of insurance with each subscription. Does this avoid the statute, or is it only a subterfuge to attain indirectly what cannot be done directly?

Sale of Insurance Objective

"Since the presumption obtains that the primary purpose of the agent is to sell insurance, we must assume that in the dual transaction the sale of the insurance policy is the objective on the part of the agent rather than obtaining a subscription to the paper.

"Since the agent is not permitted to offer anything of value as an inducement to purchase a policy of insurance, it would appear that to reduce the premium of the policy below that expressed in the instrument would violate the statute.

"In other words if it be illegal to give a newspaper subscription along with a policy, the objective being to sell insurance, then to offer the newspaper at a price that would supply the policy almost without cost or at a greatly reduced rate, would simply be doing indirectly what the law does not permit to be done directly.

"Our conclusion, therefore, is that an agent may not sell or offer to sell insurance at a rate less than that designated in the policy itself without violating said rebate section."

Ownership of Business by Agent Big Cleveland Topic

CLEVELAND, O., June 8.—The question of protecting and conserving a general agent's business for the benefit of the widow or children at his death was the big topic at the smoker recently held by the Cleveland Accident & Health Club, with 25 members in attendance. This question was strongly brought home to the Cleveland club by the situation which followed the death of one of its members two months ago. This man had been general agent for a western company for 26 years, building up a good volume of business at his own expense, and without financial aid from the company. Immediately after his death, officials of the club say, the company took charge of all records, refusing to make any settlement whatever with the widow until the Cleveland club made arrangements to rewrite the business in another company for her benefit.

The Cleveland club intends to be pres-

ent in force at the convention of the National Association of Accident & Health Managers in Chicago and will endeavor to have the National association go on record as to the agent's ownership of business. It is at work on several plans which it will submit to that convention for approval.

Announce Accident-Health Course

LOS ANGELES, June 8.—Verne Steward, lecturer on insurance at the University of Southern California, announces a special course on casualty insurance, with particular reference to accident and health insurance, beginning June 14. This will include consideration of such subjects as function of accident and health insurance, analysis of principal contracts offered, including group and different forms of non-cancellable contracts; underwriting practices and problems, the company viewpoint; settlement of claims; opportunities in the business; prospecting, and successful sales methods. Special lecturers will include Cary Groton, junior vice-president in charge of accident and health, Pacific

Mutual Life; R. E. Bridges, Travelers; R. A. Hoghe, Aetna Life; Maj. E. E. Hanson, Cass & Johansing, and Walter Mast, Continental Casualty.

A. & H. Week in California

SAN FRANCISCO, June 8.—Governor James Rolph, Jr., has proclaimed this accident and health insurance week in California, stressing the importance of such coverage for the protection of employer, employee and dependents. The governor's statement, inspired by the annual convention of the accident and health clubs in Chicago and meetings in California, says that insurance "has been an obligation of honor of every thoughtful head of a family or others with dependents."

Gibraltar Increases Capital

DENVER, June 8.—The Gibraltar Life & Accident has again increased its capital and surplus \$106,000, the amount being paid in United States Liberty bonds, W. J. McGettigan, vice-president, announces.

The latest increase boosts the capital from \$200,000 to \$250,000 and surplus from \$62,000 to \$118,000. This is the second capital increase since the first of the year, approximately \$140,000 having been added to capital and

surplus early in the spring. The company has just been licensed in Oklahoma and New Mexico, making four states in which it is now operating. It will apply for licenses in about six more states at once.

Law Violator Fined

DENVER, June 8.—Galen Byrnes, president of the Progressive Insurance Co., pleaded guilty to violation of the Colorado insurance code and was fined \$125. He admitted spending for operating expenses more than 20 percent of proceeds of stock subscriptions, which is contrary to the Colorado law.

The assistant district attorney stated that 25 stockholders had petitioned him not to press prosecution, claiming Byrnes had been working to restore their losses and rehabilitate the company, now in receivership.

Postpone Accident & Health Week

The Accident & Health Managers Club of Los Angeles has decided to postpone action on its proposed Accident and Health Week until after the joint meeting in San Francisco of the Los Angeles and San Francisco clubs Aug. 20. The Los Angeles Club has been tentatively considering such a week to be held in June.

THE AMERICAN GLASS COMPANY

A Statement Supported by Fact

In the Chicago Tribune editions of May 31st and June 1st appeared articles involving the American Glass Company in connection with the arrest of three men caught breaking windows. I feel it is my duty to the trade as well as my friends to give them facts pertaining to all statements made in these two articles without the assistance of a frenzied reporter or the help of associations who are doing their utmost to get the public and trade in the frame of mind so as to reflect the cause upon us.

The American Glass Company was organized in 1919 on a capital stock of five thousand dollars for the purpose of selling and installing glass. Its success speaks for itself, that it has outgrown three plants, and in spite of periodical unfavorable publicity it has gotten, continues to stay in business.

In 1921, unfortunately, two young men were arrested intoxicated at the corner of Van Buren and Wabash avenue, sitting on the curb, caught throwing stones through a window on the opposite corner. Both of these men were employed by an insurance agency. One of these men had a card on him from this firm, and "lo and behold" I was involved in a conspiracy charge to have them break windows for me. The true outcome of this case was that a jury of twelve men tried the case before Judge Fitch on the conspiracy charge and found him **Not Guilty**. The case involving me was not tried for reasons unknown to myself.

In spite of this setback, I continued to carry on, and my loyal friends and customers favored us with their business.

In the year of 1928 I was again given front page publicity, involving me with several labor men in a conspiracy charge of boycotting medicine cabinets, and indicted by the government for violating the Sherman Anti-Trust Law. Newspapers came out with headlines that I profited to the extent of a million to four million dollars. To this day I do not know on what testimony I was indicted, nor do I know why on a motion of the United States Attorney an order was entered February 19th, A. D. 1929, before the Honorable James H. Wilkerson, Judge, to have the case of Benjamin Beris dismissed.

Now come along three young men, two of them men that I have never remembered even knowing, and become intoxicated. One of these men, a glazier, sent into us by the Union and who worked for the American Glass Company two days last week, had on him a pay roll check for the amount of \$23.84, which was due him for his services. The second man was a clerk employed in our office and a brother to the glazier. The third man I have never known or ever seen. It is a most unfortunate incident that these boys, who have never been involved in any trouble before, became boisterous to the extent of wanting to damage property.

I am not trying by any means to defend their action, but it was unjust and unfair publicity to involve the American Glass Company—to state that they were employed by us to do this. The firm employs during the week an average of eighty-five men, and any business man will agree it is an impossible feat to keep check on employees after working hours. I again state openly, and fearlessly, that I or the firm had no more to do with their actions or conduct than any of my competitors.

It is most regrettable that one of these men happened to be an employe here, and I hope the trade as well as the public will in due course of time find that we were not involved. The authorities to this day have not in any way connected us with their actions other than ASSOCIATIONS—which we are not members of—are again trying to use a **spot-light**.

BENJAMIN BERIS,
Pres., American Glass Co.

CASUALTY PERSONALS

W. J. Robbins, who has just taken over the Chicago office of the Associated Indemnity, succeeding R. R. Clark, was connected with the Home Accident of Little Rock for many years. When this company went down in the Caldwell and A. B. Banks failures, Mr. Robbins decided to indulge in a real vacation. He packed his family in an automobile and traveled throughout this country and Canada. He spent some time in Nova Scotia salmon fishing. When he represented the Home Accident at San Francisco he had offices across the street from C. W. Fellows, president of the Associated Indemnity, and the two became well acquainted. Recently when a change was decided upon in Chicago, Mr. Fellows induced Mr. Robbins to take the post. Mr. Robbins spent about

six months in Chicago several years ago when the Home Accident carried the insurance on the Yellow Cab Company. For about four months before being appointed Chicago branch manager, Mr. Robbins had been a broker in Chicago attached to the Associated Indemnity branch.

June 1 marked the third anniversary of the establishment by the International Reinsurance of its branch office in New York City, with W. R. Mearns in charge as resident vice-president, a post he continues to hold. Just a quarter of a century has elapsed since Mr. Mearns entered the casualty business, his first engagement having been with the Ocean Accident as a payroll auditor in 1907. He still regards, and right-

fully, the late Oscar Ising, his early chief in the Ocean Accident office, as one of the strongest figures that ever appeared in the casualty underwriting field and attributes much of the success he has since attained in the business to the lessons learned from that master manager.

L. A. Mackall, well known as a surety executive, is resuming the practice of law and is associated with Daniel Combs in New York.

F. A. Price of the Conkling, Price & Webb agency of Chicago suffered injuries when the automobile in which he was returning to Chicago from his winter home at Santa Monica overturned and caught fire in Utah. He was taken to Salt Lake City for emergency treatment and then was brought to Chicago. It was necessary to amputate a finger. He suffered a broken collar bone and other injuries.

Earlier in the winter Mr. Price caught cold while traveling from California to Chicago and pneumonia developed, which incapacitated him for some time.

After an illness of several months G. E. Hayes, vice-president of the Union Indemnity in charge of its fidelity and surety divisions for the eastern department, died at his summer home at Belle Isle, Conn., Monday. Funeral services were held at his Westfield, N. J., residence. Surviving are the widow and a son Malcolm, the latter employed at the head office of the National Surety. He had long been an active member of the Casualty & Surety Club of New York, retiring as its president in December. His interest in the Insurance Society of New York was likewise of long duration, serving successively as a member of its executive committee, vice-president and president. Following graduation from the New York University in 1892 Mr. Hayes joined the staff of the American Surety after which he was associated with various other prominent companies. His connection with the Union Indemnity dates from 1920.

I. A. Lower of Topeka has announced his candidacy for the Democratic nomination for superintendent of insurance of Kansas. He is particularly well known to accident and health men. He was at one time president of the Safety First Accident & Health of Oklahoma City and was in the accident and health business in Topeka before going to Oklahoma City. For several years past he has been engaged in insurance work in Topeka.

William Geiger, manager of the bureau of payroll audits of the Maryland Casualty, was the guest of honor at a party staged at the home office in honor of his 25th anniversary with the company.

Mr. Geiger first entered the service of the Maryland Casualty in 1907 as bookkeeper in the New York office. Prior to that he was with the Ocean Accident. He was made assistant cashier in the New York office in 1909 and in 1912 payroll auditor, being appointed manager at the home office in 1916.

Edward A. Warner, supervisor of audits in the New York office, presented Mr. Geiger with an elaborate desk set on behalf of the field men and his office staff gave him a Shrine ring.

James A. Beha, general manager of the National Bureau of Casualty & Surety Underwriters, has a busy schedule this month. Tuesday of this week he addressed the convention of the American Association of Insurance General Agents at Hartford. The next day he held a conference with Commissioner Armstrong of Pennsylvania on policy forms. He was accompanied there by W. P. Cavanaugh, claim manager of the National bureau.

On June 13 he will have a meeting of the publicity governing committee of

the bureau and the next day he will function as chairman of the surety acquisition cost conference. On June 15 the executive committee of the bureau meets.

During the week of June 20, Mr. Beha will be in Chicago for a meeting with Chicago agents in an attempt to launch the Chicago Casualty Acquisition Cost Control and to attend the meeting of the executive committee of the National Convention of Insurance Commissioners. Being active in the Democratic party, Mr. Beha will probably attend some sessions of the Democratic convention in Chicago that week.

F. Wade Hughes becomes superintendent of the bonding department in the Philadelphia branch of the Standard Accident. He was formerly head of the bond department of its New York office in 1922. Mr. Hughes was vice-president of the Royal Indemnity and then was elected vice-president of the Continental Casualty at Chicago in charge of its surety department.

Mayor W. B. Harrison of Louisville, who has just been elected president of the newly organized Kentucky Home Life and will resign as mayor, was at one time assistant manager in Louisville of the American Surety. He served in that capacity from 1911 until the outbreak of the war. The Kentucky Home Life will take over the business of the Inter-Southern Life, which is now in receivership.

Mrs. O. F. Davis, wife of the assistant agency director of the Abraham Lincoln Life, died very suddenly at Springfield Sunday, when an embolism developed following a minor operation. She leaves three small children, the youngest seven months old. Mr. Davis was on the program for the annual meeting of the Health & Accident Underwriters Conference in Chicago this week, but of course was unable to attend, his place being taken by F. M. Feffer, vice-president of the Abraham Lincoln.

Very few friends of E. M. Ackerman, executive secretary of the Illinois Insurance Federation know that after experience as an army aviator during the war he was for four years one of those barnstorming "gypsy" flyers who contributed so much to developing aviation and to increasing aviation mortality. Ed. still looks back with fond recollections to that time when all the "yokels" wanted to fly and had the \$25 a day which was then the price for a short jaunt; and to one particularly felicitous day when the gross "take" was some \$600, most of it profit.

Travelers Man Tells Toll of Automobile Accidents

Casualty insurance as a financial safeguard was stressed by J. H. Egloff, superintendent of agency field service for the Travelers, in a talk before the Minneapolis Insurance Club. Lack of courtesy on the highway and total disregard of rights of others were cited as accountable for many traffic accidents. Many drivers, he said, do not carry any form of liability insurance. Records show only 9,000,000 vehicles out of 27,000,000 carry insurance.

Last year there were 34,004 people killed and 997,000 injured in 860,000 accidents, involving an economic loss of \$2,500,000,000, which is equivalent to \$20 per capita, or \$100 per car, he said. Twenty percent of those killed were under 15 years of age while more than 60 percent were in the prime of life, between 15 and 54. The total fatalities for the last 15 years was 309,835, he said. Mr. Egloff conducted conferences with the Travelers field forces in Minneapolis and St. Paul.

The Allstate of Chicago has been admitted to Maryland.

AUTOMOBILE	PUBLIC	BURGLARY	ACCIDENT
LIABILITY	LIABILITY	THEFT	HEALTH
PROP. DAMAGE	TEAMS	PLATE GLASS	WORKMEN'S
COLLISION	ELEVATOR	STEAM BOILER	COMPENSATION

General Accident



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Many Live Topics Before Conference

(CONTINUED FROM PAGE 31)

of private enterprise if carried far enough, and that drying up the tax source by excessive drainage into political channels means the end of all jobs."

He referred particularly to the debate in Congress on the tax bill, in which "soak the rich" was the battle cry. "Many of our political medicine men, it seems, believe that capital confiscated by the government will be replaced so that it may again be confiscated; that it is perfectly sensible to use the taxing power to destroy the enterprises which yield taxes; that those who are asked to pay will be content to continue to do so, even if their earnings and savings are taken from them and allotted to others," he said.

He made a plea for concerted action by insurance men of all classes. He declared that insurance touches intimately the lives, hopes, prosperity and property of more people than does any other business or business group, and "under these circumstances insurance ought to be able to impress itself more vigorously than it has done heretofore on the life of the nation."

Don Carlos Talks on Claims

Two notable guest speakers were featured at the Wednesday morning session. H. S. Don Carlos, associate chief adjuster of the Travelers and president of the International Claim Association, speaking on "Underwriters' Chickens," said that title was intended as an abbreviation of "Underwriters' chickens come home to roost in the claim department." He said underwriting is divided into three parts—the policy coverage and wording, the agent's selection of risks and passing on submitted risks. He emphasized the important part that the agent plays. He also divided claimants into three classes, the crook, the "sappy soul" and the genuine disability, and outlined the procedure to be followed with each class.

Bowen Reviews Bureau Program

P. H. Rogers, Massachusetts Bonding, read a paper by E. C. Bowen, secretary Aetna Life, reviewing the new program of the Bureau of Personal Accident & Health Underwriters, which was very comprehensive in its nature and yet presented the changes that have been made in a form that could be easily understood. He declared that the bureau program "is a distinct success and represents the most constructive work ever undertaken in this business at one time." While some delays have been inevitable in making changes of such an extensive character, he said that no complaints have been made to the bureau and that the good faith of subscribing companies is not questioned. He emphasized the elasticity of the program, but stated that the number of special coverages, which do not conform to the bureau's advisory policies, submitted for approval and rating, has been much smaller than was expected.

Legislative Trends Listed

The report of the legislative and public relations committee, presented by J. W. Scherr of the Inter Ocean Casualty, chairman, reviewed some of the disturbing trends in insurance legislation, together with measures proposed at legislative sessions held this year, which were not numerous, as 1932 is an "off" year.

There were also two round table sessions Wednesday morning, one on "Lapsation—how can it be prevented?" by L. R. Aitchison, Mutual Benefit Health & Accident, and the other on "What is industrial business?" introduced by F. M. Feffer, Abraham Lincoln Life.

Wednesday afternoon was given over to a demonstration of the "lie detector" by Dr. Leonard Keeler, Scientific Crime

Detection Laboratory, Northwestern University, and a brief executive session.

At the banquet Wednesday night, President MacEwen was toastmaster and Maj. N. A. Imrie of Culver Military Academy was the speaker.

Pinchot Forms Committee to Reduce Auto Accidents

Governor Pinchot of Pennsylvania has asked 50 representative Pennsylvanians to become members of a statewide committee on street and highway safety. An organization meeting will be held in Harrisburg June 22. The National Association of Insurance Agents is represented by Frank D. Moses of Harrisburg.

Pinchot's Statement

Governor Pinchot states, "Too many people are killed or hurt in automobile accidents in Pennsylvania. From Jan. 1 to April 30, inclusive this year, 583 persons have been killed by automobiles in this state. Of the killed, 101, or 17.3 percent, were children 14 years old or less. In the fatal accidents in which operators were accused of some violation of the law, 27 percent were traveling at an unreasonable rate of speed."

CASUALTY ASSOCIATION NEWS

Act to Probe Irregularities

Head of New Jersey Casualty Underwriters Names Committee to Look Into Compensation Matters

NEWARK, June 8.—There will be a thorough probe of a number of abuses which are claimed to exist in the workmen's compensation bureau in New Jersey on the part of certain groups, as pointed out to Col. C. R. Blunt, commissioner of labor, by W. A. Schaefer, president Casualty Underwriters Association of New Jersey and general agent for the Home Indemnity, at a recent meeting of the association.

Second Inquiry

This is the second inquiry into compensation practices during Colonel Blunt's administration, the other inquiry being made at his request when he appointed a commission more than a year ago to look into the situation in New Jersey and make such recommendations as were deemed advisable. A. Duncan Reid, president Globe Indemnity, repre-

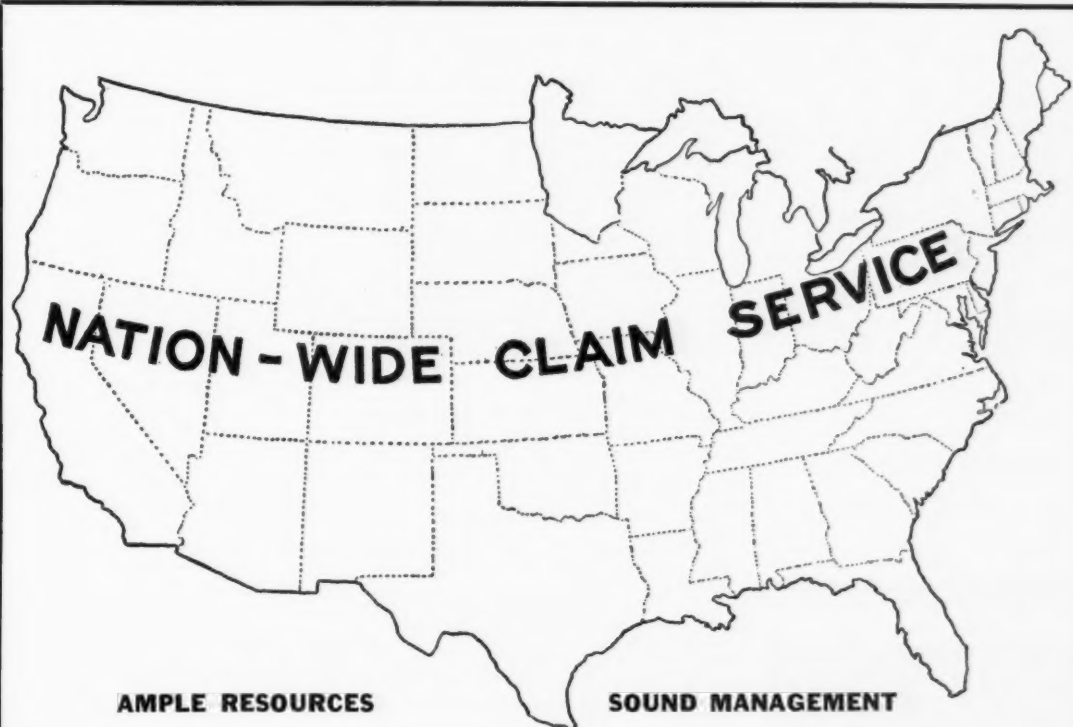
sented the insurance interests on the commission.

The commission's appointment was brought about through the allegation that ambulance chasing was being practiced by a small group of lawyers in workmen's compensation cases. To a certain extent ambulance chasing in various counties in the state has somewhat subsided, but recently the practice has broken out again, particularly in Hudson county.

Committee Is Named

Mr. Schaefer has appointed a committee consisting of Byron Conklin of O'Gorman & Young, chairman; E. C. Graff, General Accident, and W. C. Billman, secretary New Jersey Manufacturers Casualty, who will during the summer study the workmen's compensation situation throughout the state, will attend the monthly meetings of the workmen's compensation bureau and make reports on its findings.

Wisconsin workmen's compensation payments totaled \$12,447,121 in 1931, according to the industrial commission. This is approximately \$1,000,000 less than in 1930.



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Expense Ratio of First Importance

(CONTINUED FROM PAGE 5)

out, have been inquiring into acquisition cost and some executives predict that this factor will be limited by law as that of life insurance is limited in New York state. Business of non-agency mutuals, he said, is decreasing less rapidly than that of stock companies.

Mr. Crawford pointed out that about half of the expenses—taxes and commissions—are a constant percentage of the premium and will constitute about the same proportion of the expense ratio regardless of the average rate level or premium income. The remainder, being relatively a fixed amount, he said, tends to run the expense ratio up or down inversely as the premium income changes.

Taxes Can't Be Helped

The companies can do little or nothing about taxes, he pointed out. When taxes from insurance companies fall off because of declining premium income, the tendency is to increase the rate of taxation, he declared, citing the example of South Carolina.

Commissions, he said, never have been reduced except in some limited territories. "I believe it will be reduced," he said, "but only when the number of agents is reduced and the commission paid to those who remain will compensate them fairly for securing and handling business and not for energy expended in defending what they have against the efforts of those who seek to take it away from them."

The companies could not abandon their fire prevention program. Rates can be increased only with great difficulty.

The idea prevails that the public is not interested in expense ratios, he said. That is true, he declared, until its attention is called to them unfavorably and that is being done by non-agency mutuals and reciprocals, by insurance commissioners and those in charge of state funds and by advocates of socialistic insurance schemes.

It would be unwise, he declared, to start an active defense of expense ratios except when they are attacked, but the expenses should be in a position where they can be defended.

First Step, Cut Expenses

The first step, he declared, is to reduce expenses as far as possible without injustice and without injury to the business. Then the business should show how much of the expenses incurred is for the benefit of the public. Agents should be of such character and intelligence that the public will have confidence in the business and discount the attacks upon it.

Fire insurance has changed from a business of indemnifying for loss, he declared, into a business of furnishing protection against loss. The companies attempt to prevent loss by accepting only risks free from abnormal hazards, by inspection, by regulation of hazards, offering lower rates as an inducement to reduce the probability of loss and by showing the public how it will gain by so doing. And they indemnify for the losses which occur in spite of their efforts to prevent them. They pay taxes, furnish cities with engineering advice, maintain rating organizations, pay the cost of insurance departments.

One reason the expense ratio is high, he pointed out, is that aside from the payment of indemnity, the cost of all those services is charged to expenses.

Appeal Rate Case Decision

CHARLESTON, W. VA., June 8.—The attorney-general's office filed a petition yesterday in the West Virginia supreme court for an appeal from the decision of the Kanawha county circuit court in the public liability and property damage rate case.

Auto Liability One Expense That Shouldn't Be Dropped

J. Robert Johnson, Chicago broker, in a radio broadcast last week from station WCFL, answered the question "Is It Wise Economy to Discontinue Automobile Public Liability Insurance?" He showed why public liability insurance is one expense item that cannot possibly be eliminated, especially if a person expects to continue driving a car. Due to increased road congestion, the fact that all the members of the family drive the car, keeping it in use day and night, and because automobiles are no longer stored for the winter but driven all year round, automobile accidents have shown an astonishing increase.

In order to graphically demonstrate the automobile death loss, Mr. Johnson said: "Suppose some morning you pick up your newspaper and read where a catastrophe has occurred in one of our large cities, in which 35,000 people were killed and 1,000,000 injured. That is the automobile's annual harvest. Insurance cannot eradicate this growing evil but it can mitigate it to the extent of paying for the enormous economic losses which the motorists are liable for and thereby lessen to a great extent the shock to society."

"The automobile liability policy is a wall of protection built around the motorist to insure against the loss from hazards for which this policy is designed. It is just as necessary as a seawall that is built on the shore line to protect the town from the threatening dangers of the sea. It may be considered even more important than your bank account because it protects your bank account as well as all your material accumulations, by preventing a court judgment from attaching them, as a result of an automobile accident for which you might be held liable."

Mr. Johnson warned his radio audience not to economize by buying cheap insurance, "for the price generally reflects the quality."

Ten States Get Auto Rate Cuts

(CONTINUED FROM PAGE 5)

theft or collision manual in Michigan for about two years, most of the association companies charging collision rates 50 percent off manual and fire and theft 25 percent off.

The fire rates on commercial cars schedule A were reduced from \$2 to \$1.25; schedule B from \$2.25 to \$1.75; C from \$2.50 to \$2.25 and D from \$2.75 to \$2.50.

In the eastern territory minor changes are made in rates on models which were not included in the manual promulgated Feb. 15. The towing and road service expense coverage endorsement at a charge of \$2 per car which has prevailed in the west, is now adopted for the east.

Changes in the southern and Pacific coast territory are about the same as those in the eastern manual. The towing and roadside endorsement is adopted for the south but not on the Pacific coast.

A special supplement has been issued for Colorado, New Mexico and Wyoming, containing changes about the same as those for the east.

Prepares Law Digest

A voluminous file of citations of law pertaining to casualty lines, and particularly to automobile insurance and interpretation of policies, prepared by A. B. Litow of Joseph Rice & Co., Chicago, as a committee of one of the new Automobile Adjusters Association of that city, has gone out to members in mimeographed form. It was presented by Mr. Litow at the June meeting of the new association.

Field for U. & O. Is Still Open, R. H. Byrnes Asserts

(CONTINUED FROM PAGE 20)

often result in a substantial increase in premium. Fluctuating per diem forms, when the variation of production is regular, are still frequently used when cost is the deciding factor and that is often the case.

Whatever form is used it is important that requirements for the amount of insurance are understood, particularly the requirement of the 100 percent coinsurance clause. There is a gross requirement. The annual profit and all charges and expenses (except the expense of heat, light and power), which would normally have been earned in an ensuing 12 months whether or not such charges and expenses necessarily continue. The total and partial suspension clauses of the other forms supplement each other in requiring full insurance to value on an annual basis. The wording of the partial suspension clause is perhaps somewhat vague, less rigid than the 100 percent coinsurance clause, but the meaning is there.

Inquiries Develop Needs

A few intelligent inquiries will help establish the needs of the prospective purchaser and I believe that it is usually better for the agent or broker to decide upon the form, establish the cost, and make the proposal on that basis. Long detailed negotiation creates sales resistance and is quite likely to arouse the suspicion that the complications surrounding the settlement of a loss will be infinite.

Outside competition is not particularly keen. The New England mutuals are not active in competition for this class except where they write the property damage. For years they have written a valued form but from what we have seen recently there seems to be a tendency on their part to abandon it in favor of an actual loss sustained form similar to our printed contracts. The valued form, ordinarily 25 percent to 50 percent more expensive, is not really applicable to a fluctuating business and, as a matter of fact, if the valued insurance is estimated on a prospective loss basis, it is not going to smooth the difficulties of adjustment as much as is generally supposed. In arriving at the amount of the loss, it is not the loss of earnings as much as it is the time required to "rebuild, repair or replace," that is difficult to agree upon, and a valued form will not in any way overcome that feature of adjustment. The reciprocals offer a coinsurance form with a 75 percent coinsurance clause, but their 75 percent clause applies entirely different measure than our 100 percent coinsurance. In all the cases that I have seen, our 100 percent requirement really amounts to less in dollars and cents than the 75 percent requirement of the reciprocals.

This is one field that is not overcrowded. Big manufacturers and merchants have been sold, but every profitable business, large or small, should be a prospective customer. The insurance need not be confined to manufacturers and merchants. Theaters, hotels, and laundries are good prospects. A great many of them already have it. Private schools are just beginning to be interested. I have known of surgeons, x-ray specialists, dentists and opticians to buy it, particularly when their apparatus is difficult to replace within a short time.

Hearing on Taxi Cover

OKLAHOMA CITY, June 8.—While the Oklahoma county district court recently upheld the city ordinance requiring independent taxicabs, with all others, to furnish insurance or indemnity bond, another suit has been brought to test the ordinance, hearing on which is scheduled for June 9.

The Glen Falls Indemnity has been admitted to Utah.

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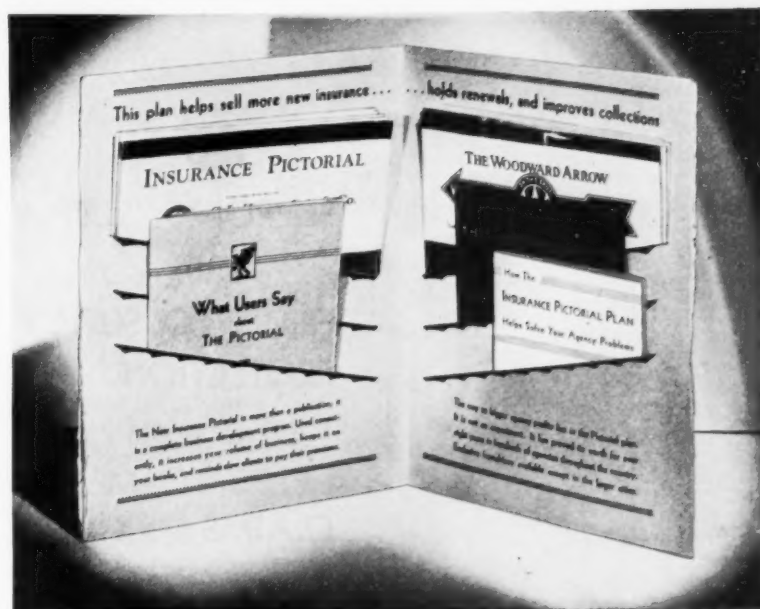
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